



Daily Report

Latin America

FBIS-LAT-93-141
Monday
26 July 1993

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26 July 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Cuba's Castro Interviewed 16 Jul in Bahia

*PY2507013093 Asuncion ULTIMA HORA in Spanish
24 Jul 93 Correo Semanal Supplement pp 18-19*

[Interview with Cuban President Fidel Castro by correspondent Rogelio Lopez in Salvador, Bahia State, Brazil, on 16 July during the Third Ibero-American Summit of heads of state and government.]

[Text] [Lopez] Could I talk to you for a few minutes? I am from the ULTIMA HORA daily.

[Castro] Why not? Here I am talking with your president about a few things, but you can ask what you want.

[Lopez] Yesterday you asked for the democratization of the United Nations. In what way can that be understood?

[Castro] That institution was created 50 years ago, when there were only about 40 or 50 states. It was born very much adapted to that circumstances, and now it must develop real democracy. The right to veto must come to an end; all its members must be elected. That would be ideal, but if that cannot be done, the number of members of the Permanent Council should at least be increased. In other words, something must be done.

[Lopez] Some countries such as Venezuela, Spain, and Argentina asked directly that Cuba open up to the world, that you seek a way out because your regime is becoming a dictatorship. What do you think of that?

[Castro] They are always asking and asking, but they do not know that Cuba is the most free country in the world. For many of them the only thing they do is respond to U.S. interests, which are logically against the interests of the Cuban people, who are free. I am not worried about it, because both Venezuela and Spain are not brilliant countries, and Argentina is even worse. Menem is simply a clown for Clinton, and he acts very well.

[Lopez] What do you believe the United States will think of your position?

[Castro] It does not interest me at all. I do not depend on what they say. We are a free nation, and we do not allow ourselves to be used by anyone. Neither I nor the Cuban people depend on the propaganda of imperialism. This is why I insist: Cuba is the most free country in the world. Imperialist propaganda says stupid things.

[Lopez] When will there ever be a really free Cuba?

[Castro] Do you not understand? Cuba is the most free country of the world. I have always maintained that, and I have many ways of proving it. Those who really love Cuba have freedom in my country. We have a good health and educational system, and many countries envy us for that. Those who say that Cuba is not free are basing themselves on U.S. propaganda.

[Lopez] Then practically the entire world is basing themselves on that propaganda, because the great majority of countries think that way.

[Castro] Not the great majority. What happens is that there are presidents who cannot say what they think because the imperialist monster will eat them. Therefore, as good pupils they always have to repeat the same thing. Look, we are not the ones who are creating the problems. Is it Cuba that is blockading the United States, or is it Cuba that invaded Panama or tried to destroy Iraq? Make your own conclusions, and you will see who is the creator of problems in the world.

[Lopez] Many people who have been in your country say that there is no atmosphere of freedom there.

[Castro] I would like to talk with them. Anyone who deeply knew Cuba could not say that. We have always given hospitality to foreigners; the Cuban people live happily. Of course, perhaps some of them expected to find a country wasting its resources. The people of my country work and produce; they do not talk so much.

[Lopez] Are you not afraid of ending up like Alfredo Stroessner of Paraguay?

[Castro] Of course not. There is no comparison. You cannot compare a revolutionary with an authoritarian. Cuba is the most free country in the world, and the things that occurred in Paraguay do not occur in free countries. Stroessner never gave freedom to his people, but you can ask the Cuban people if they feel free.

[Lopez] Have you not imagined that a coup could overthrow you?

[Castro] I have never thought such a thing. To think that something like that could occur in my country would be a waste of time. The Cuban Government has the support of all the people, and it would be very difficult for someone to think of overthrowing a government that gives freedom to all its people. The Cuban people are very mature; they know what they are doing and what they want. This is why we remain firm under the constant pressure of the allegedly powerful.

[Lopez] What do you think of what Stroessner did in Paraguay?

[Castro] You better than anyone can judge his actions. Evaluate whether he gave you freedom, education, health—and then you can reach a conclusion as to what Cuba is in comparison with what Paraguay was. You who have lived under Stroessner will know better than anyone what he was like. But you have not, however, lived in Cuba. You cannot therefore know how we live there. Many people get a false image of my country. Only Paraguayans can speak of Paraguay and Stroessner.

[Lopez] I asked you what you thought of him and his regime.

[Castro] I was never sympathetic toward Stroessner. I was never interested in meeting him. This is why I did not learn much about how he governed. I can indeed talk about the current Paraguayan situation. I have talked with General Rodriguez, and I know very well how the

Paraguayan people suffered under the previous regime. But please, never compare that Paraguayan period with Cuba. We had a revolution; you did not. For example, Gen. Rodriguez took over the government in a coup.

[Lopez] You said you do not think like Stroessner, but you, however, have been almost the same time as he was in power, or dictatorship—whichever you prefer—in your country.

[Castro] Revolution, revolution, that should be made quite clear, not dictatorship. We have 35 years of revolution and resistance against imperialism. I have the support of the people, and all of Cuba is happy with the government of the people. Fidel Castro has the support of the people and governs with that support. That is more than enough.

[Lopez] Stroessner also said he had the support of the people, but he always held fraudulent elections.

[Castro] Have you ever been to Cuba? Do you know that Cuba is? Do you know what a revolution is? We made a revolution in Cuba, and there was never a revolution in Paraguay. There was a president who left misery, and the country is only now getting ahead. I invite you to visit my land, and we can talk then. Do not let yourself be misled by the propaganda of the allegedly powerful. The United States talks a lot, but George Bush did not succeed against Saddam Husayn because he resisted with his people. I do not know how you would say that in your country, but in Cuba we say that the people and their president had "the balls" to resist. The imperialist propaganda said something else, but I would like you to investigate the truth.

[Lopez] In addition to the United States, what other country do you dislike?

[Castro] Cuba does not have problems with anyone. The others are those that want to interfere in a free country. It seems they are bothered when a country is really free and lives united. We have many friendly countries that are getting tired of the pressures. I hope in the near future that the supposedly powerful monsters will stop bothering us.

Ibero-American Survey Notes Concern With Human Rights

PY2407151993 Lima LA REPUBLICA in Spanish
15 Jul 93 p 12

[Text] The second Barometer of Ibero-American Opinion revealed that most Peruvians think the Third Ibero-American Summit currently taking place in Salvador, Brazil, should give priority to the issues of human rights protection, the defense of democracy, and free trade among Ibero-American countries.

The survey conducted in 13 Ibero-American countries by prestigious polling companies is one of the largest multinational surveys ever carried out in the world.

The survey was conducted by Apoyo, Opinion and Market, in Peru, and LA REPUBLICA contracted the exclusive rights to publish the results.

Parts of the survey were carried out simultaneously in Bolivia, Brazil, Colombia, Chile, Ecuador, El Salvador, Guatemala, Mexico, Peru, Puerto Rico, Uruguay, Venezuela, and Spain and focused on the Third Ibero-American Summit.

The heads of state of Latin American countries, Spain, and Portugal will participate in the event in Salvador, Brazil. The two previous summits were held in Mexico and Spain.

The survey conducted between May and June revealed that a large majority of those questioned in all countries agreed to their presidents' participation in the event.

The most impressive cases were those of El Salvador, where 94 percent of those questioned said President Alfredo Cristiani should travel to Salvador; Brazil, where 93 percent of those questioned supported their president's trip; and Mexico, where 91 percent of those questioned supported the idea.

A total of 82 percent of the Peruvians questioned supported President Alberto Fujimori's trip, even though the trip was almost suspended due to statements attributed to Brazilian President Itamar Franco that were considered offensive to the chief of state and the country.

In the end, the CCD [Democratic Constituent Congress] left it in the hands of the president to decide if he should travel or not. The president, as we reported elsewhere, departed for Brazil around 0800.

It is worth noting that Venezuela was the country where the lowest percentage of people approved of the trip by their president. Undoubtedly, Venezuelans have not yet been able to overcome the shock produced by Carlos Andres Perez' separation from the presidency.

In Venezuela, only 57 percent of those questioned approved of the trip while 36 percent of those polled thought it was inconvenient. The result is more noteworthy because the person who was going to travel—and who ended up going—was Ramon Velasquez, the man in charge of the presidency.

A majority of those questioned said the topics the presidents should discuss on a priority basis should be human rights protection, the fight against terrorism and crime, and the treatment of immigrants.

Ten countries gave priority to human rights and only Chile, Ecuador, and Puerto Rico said the first priority should be terrorism and crime.

In Peru, 44 percent of those questioned said more emphasis should be placed on human rights protection while 40 percent said the fight against terrorism and crime should come first.

The treatment of immigrants was given priority by only 7 percent of Peruvians questioned.

Opinions were divided regarding the international topics the summit should discuss on a priority basis. The two issues with the most votes were the defense of democracy and the defense of the environment.

A mechanism for solving border conflicts—one of the questions included in the survey in the 13 countries—came in third place.

It is obvious that Ibero-American peoples think there are topics more important than those referring to border conflicts, which in some cases postpone peoples' development and, consequently, their integration and diverts resources from the national treasury.

The defense of democracy was given priority by 50 percent of Uruguayans, 47 percent of Puerto Ricans, and 46 percent of Guatemalans.

This issue was given maximum priority by 40 percent of Peruvians. Environmental protection was given priority by 26 percent of those questioned in Peru, and the issue of a mechanism for solving border conflicts came in third with 20 percent.

In Mexico, 61 percent of those questioned gave priority to environmental protection. It is well known that this country, and particularly the capital, has one of the highest levels of environmental contamination.

The situation here is really dramatic.

This issue received an average of 42 percent support in Latin America and 40 percent support in Ibero-America. The issue of defense of democracy earned the support of 36 and 34 percent of the people, respectively.

Something worth noting is that all those questioned wanted the presidents to give priority to free trade among Ibero-American countries and not so much to promoting the entry of Ibero-American products in the United States, Europe, and Japan.

This aspect is very important because it shows that there is more interest in achieving integration than in expanding markets outside the region.

In Peru, for instance, 26 percent of those questioned gave priority to the issue of free trade among Ibero-American countries, while 29 percent favored the promotion of Latin American products in foreign markets. A total of 22 percent of the people questioned thought emphasis should be placed on the flow of capital and technology between Ibero-American countries.

Cuba

Castro Bahia News Conference 18 Jul

FL2607003393 Havana Tele Rebelde Network in Spanish 0030 GMT 22 Jul 93

[News conference by Cuban President Fidel Castro with unidentified foreign and domestic reporters at the Othon Palace Hotel in Bahia, Brazil on 18 July—recorded, in Spanish with simultaneous translation into Portuguese; journalists' questions in Portuguese are translated from the Spanish interpreter's paraphrasing]

[Excerpts] [Reporter, in Portuguese] Commander, the disappearance of the Eastern Bloc resulted in a New World Order with very complex restructuring of the international scene with the evident supremacy of only one super power, especially from the military point of view. What have been the consequences of that new international order for Cuba? What is the exact nature of this situation? And what dangers does the existence of only one super power represent to the world order?

[Castro] I believe that the greatest tragedy of our times is precisely what happened: the collapse of the Socialist Bloc and the disappearance of the USSR. I believe that this will have great consequences for the world but for us the immediate consequences have been immense because when the Revolution triumphed in 1959 and a process of change was begun in Cuba, this took place in the midst of the Cold War. The United States immediately exerted pressures and measures of all kind to dismantle the Revolution by economic and military means. This forced us to make great efforts to survive. Under those circumstances, the existence of the Socialist Bloc and the USSR represented a very important support system. It helped us to resist the blockade and receive weapons to defend the country.

I believe that this contributed a lot, in addition to the struggle conducted by our people to resist that aggression. However, that disappeared abruptly. We lost the support the Socialist Bloc and USSR. While on the other hand, the blockade was being strengthened. This is one of the factors that makes the Cuban situation more difficult.

I believe that the fact that an unipolar world has emerged under the hegemony of the United States is one of the greatest tragedies in history because the United States will attempt to fully exert that hegemony. Although, I believe that the world is ungovernable. Therefore, this will be a historic period because the world will logically resist that hegemony and unipolar dominance by one super power. This resistance is already arising in many forms. Thus, I believe this will be a transitional period in mankind's history. Yet, this is a truly hard, difficult moment.

Today, sovereignty is being debated, the concept of sovereignty itself is being discussed. Theories are being drafted to justify intervention in any country under any

pretext. I have said that this is transitory, is a great tragedy, and the principle of national sovereignty is being questioned. This is why I believe mankind is slated for very difficult, hard times.

[Reporter, in Portuguese] Commander, you said that socialism is not negotiable but what type of socialism is possible in a world with these characteristics, a world in which the Socialist Bloc no longer exists, and where Cuba is practically ideologically isolated?

[Castro] You are referring to something I said during an interview with an American reporter. I was then talking about myself. What I said is that my person, my positions, my duties were of no interest to me, but what interested me was the independence of Cuba, the Revolution, and socialism; that I was willing to negotiate everything except the fatherland, the Revolution, and socialism. In other words, I am open to negotiate everything except my ideas because I could negotiate my head. She affirmed that the main obstacle for the disappearance of the blockade was me. And I said that was not so. I answered her very frankly that everything could be negotiated except that.

When I speak of socialism I am speaking of the accomplishments of socialism; what socialism has meant for Cuba, not a specific model of socialism. There could be many and very diverse models of socialism but the goals, the ideals, the dreams of socialism are not negotiable nor are we willing to negotiate them. Of course, what you said is very reasonable. Under the conditions of an unipolar world, under the hegemony of the United States, following the collapse of the Socialist Bloc, it is very difficult to fulfill those goals. I reaffirm the willingness to fight to uphold those goals. The present circumstance, of course, force us to make a great effort and require great wisdom and struggle to preserve such goals in the present world. We have no other choice but to fight for the survival of those values because the defeat of socialism in Cuba would be the end of Cuba's sovereignty, the end of independence. It would be turning Cuba into another Miami. We will not resign ourselves to that.

We believe we can resist; we are determined to resist; and we understand that it is our fundamental duty to resist. Naturally, our efforts and our struggle have to be adapted, to an important degree, to the conditions of the world we live in, and to an isolation that is real, not just ideological. We have been isolated for ideological reasons by many leaders of this world, above all by the leaders of the developed capitalist countries. There is no ideological isolation, however, from dozens of Third World countries that are truly concerned and worried about the state of the world. Therefore, we are not ideologically isolated from all governments, because many governments sympathize with the Cuban people's struggle and urge us to resist, because, even though they may not be struggling for the same exact objectives, they know that the defeat of the Cuban Revolution would be a tragedy for the independence of their own countries.

We are not defending just socialism; we are defending independence. That is why many people want us to be victorious in this struggle for independence. There are many millions of people in the world who are not content with today's world and have not given up their ideals and their hope that mankind can live in conditions that are more just. That is why we cannot talk about an ideological isolation, because there are many people in the world who think as we do. Naturally, it is difficult to defend these ideas, but then, other things have been even more difficult. As for isolation, I have said that no one was more alone than Christ when he was on the cross 2,000 years ago. Yet, Christianity is the religion of hundreds of thousands of people in the world. All ideas, all great ideas have been isolated at one time or another, but all, or almost all of them, in the long run have been triumphant. [passage omitted]

[Reporter] Commander, in summary, most of the speeches made at this summit dealt with the need to achieve development for the masses, the need for education, nutrition, health, etc. In 35 years of Revolution, Cuba has been one of the only Latin American countries to have achieved those goals through its revolutionary process. Yet, Cuba is being criticized by Latin America at this time. How can this be explained, and how do you expect the rest of Latin America to respond to Cuba's call for solidarity?

[Castro] Well, who judges whom? Actually, I never sit in the prisoner's dock. I sit in the judge's seat. I fully understand the realities of this world and I understand history. I ask myself: how long have we been talking about development and about working for the people's health and education? Thousands of years. There has been talk about justice for thousands of years, but justice has not arrived. There is talk of equality, and equality has not arrived. There is talk of freedom, and it has not been achieved. There is talk of bread, and no bread has been received. There is talk of freedom, of happiness; freedom and happiness have not arrived. For thousands of years, man has been subject to injustice, exploitation, and oppression.

I am now listening to talk about justice. Latin America has been independent for almost 200 years. What justice, what equality, what freedom has it achieved? When did the poor disappear? When did privilege disappear? When did exploitation disappear? I am now hearing talk about all that. At this conference, we did not speak only of development. There is no development anywhere. How long have we been talking about development? There has been talk of development ever since the times of Bolivar, San Martin, Sucre, Hidalgo, Morelos, and Morazan. What has our hemisphere become in two centuries? It has become what is today: a neglected, exploited, and pillaged Third World region. In my opinion, we have not progressed at all in two centuries. In two centuries, we have fed the development of other regions of the world. That is why I am sometimes amazed as I listen to certain speeches. It would seem as if a Bolshevik were speaking at the conference about

social justice, education, health, and well-being. It would seem as if this were the first time such topics were being broached. We did not talk about this, because we began talking about economic and social development, social justice, equal opportunity, health, education, sports, culture, and all that, over 30 years ago. We have been doing this for over 30 years. Yet, these things appear to be new at this conference.

Nonetheless, I think it is good for this to be discussed, because we are becoming aware of all those problems and of the fact that development has a purpose, that the production of material goods has a purpose, that it is for the people's benefit and well-being. I do not know how neoliberalism can be reconciled with social justice. I do not know how the IMF can be reconciled with social justice, because institutions of that kind preach the elimination of all measures that help the people, so as to further the enrichment of a minority and benefit foreign capital. These things are irreconcilable. However, the mere fact that social development is being discussed is a step forward. I have seen that step forward at this conference.

Therefore, I do not feel that socialism and the idea of social justice are in the dock. That position is occupied by exploitation, pillage, ignorance, disease, poverty, and the lack of equality, freedom, and justice. Neoliberalism is really the defendant, the accused. When I listen to all this, I think and reflect, and on thinking of past, present, and future history, I feel that I am actually in the judge's seat.

[Reporter] Commander, what is the significance of the fact that the community of Ibero-American countries—many of which, throughout history, have pursued a policy of great caution, and even docility with regard to the United States—have made pronouncements against the embargo? Additionally, do you believe the Ibero-American pronouncement will have some influence on the White House, where decisions are made? Do you foresee a lifting of the embargo in the medium term?

[Castro] I really do not foresee a lifting of the embargo over the medium term. That would be an illusion. I believe it is better for us to adjust to the idea that the embargo will last a long time. The embargo is a complex skein of dozens of laws that is very difficult to unravel. The embargo is a kind of Gordian knot. Even if they wanted to, those whose brainchild it was would find it difficult to untie. It is true that, as a rule, Latin America has adopted a position of submission and docility vis-a-vis the United States. That is history. Latin America should be united, making itself a great community, a great force capable of resisting outside pressures and capable of defending itself from the heavy pressure and great forces that act upon its countries. It has not achieved this. No one was interested in having Latin America unite. That is why our countries, separately, are weak and dependent, some more than others. They have had to endure that reality. Yet, the fact that Latin American countries have met without U.S. permission, and without the U.S. presence, a trend that began in

Guadalajara, is an important step forward. This is the first time it has occurred in history. Moreover, Cuba was not excluded. For that, we owe a great deal of thanks to Mexico, which maintained a firm position with regard to Cuba's presence. Cuba is here. Cuba is not in the OAS, but it is present in a summit meeting of Latin American countries.

I was saying the fact that we are meeting without permission from the United States is a demonstration of independence, of freedom. That is why I attribute great importance to these meetings, as an instrument of unity, of strength for the Latin American countries.

I believe we must pursue this movement. Some people proposed that meetings take place every two years. I spoke out in favor of the idea of a meeting every year, because progress is made in these contacts, in these meetings. New, bolder, and more advanced ideas emerge, even in the midst of the wave of neoliberalism that our hemisphere is experiencing. I would say that wave is beginning to lose prestige. Awareness is growing with regard to the very serious social problems that our hemisphere is facing. For this reason, in our opinion, these summit meetings are highly important and represent an important step forward that we must protect and defend.

We had never before seen this phenomenon. In the past, Latin Americans met when the United States gave the sign. The United States did not even have to issue a document. A president in Washington would stand up and (crook his finger), and all the Latin American governments hastened to meet in Washington. Not any more. Now, we Latin Americans gather on our own, without the United States. Of course, the United States would be happy if Cuba were not present, but Cuba is there, and it is now very difficult to oust Cuba. Thus, Cuba is playing a modest role in all these meetings. That is why I believe that we have started along a path and that we must, in my opinion, continue to promote these summits and their role.

[Reporter, in Portuguese] [Question indistinct]

[Castro] That is a very long question. You say that Cuba's strengths lay in the strength of my ideas. Far from it. I think Cuba's strength is the strength of the ideas and values that humanity has been defending for a long time. Many men from this hemisphere have defended them. Remember the axiom that politics is the art of the possible? I would say that our politics has always been the art of the impossible. Who could have imagined a socialist Cuba in Latin America, 90 miles away from the United States? Who could have imagined that a small island, which was totally dominated by the United States in the economic and social spheres would one day become totally independent, the most independent country in the world, as we are today? It was a small, neocolonialized, underdeveloped country. That is how the Revolution began, and that is how it has defended itself for over 30 years. It is the art of the impossible.

Now, Cuba has done a lot in these 30 years. What Cuba has achieved cannot be ignored. I am not going to go into it, but I can give you some data that I mentioned during the summit, when we were talking about the state, the role of the state, and social progress. I said, for example, that at present, in the special period, Cuba has 46,860 doctors. No other underdeveloped or developed country has that many. It has 8,057 dentists; 74,943 nurses, over 5,000 of whom are university graduates; and 54,905 middle-level technicians. In other words, Cuba, which is trying to practice the art of the impossible, has a doctor for every 231 people. What developed or undeveloped country matches this? I have heard it said that Europe and the Western countries have 20 million, 23 million, or 30 million unemployed. What is the use of having unemployed people doing nothing? Is it not better to have a doctor treating people? Cuba has a dentist for each 1,345 inhabitants. In Cuba, in this very difficult year, infant mortality was 9.3 for each 1,000 live births, a rate that is lower than that of many developed countries. The maternal mortality rate is 32.4, much lower than that of many developed countries. Life expectancy at birth is 75.7 years. No undeveloped country has this rate, and neither do many developed countries, just to give an example.

Cuba has almost 300,000 teachers and professors, the highest level of professors and teachers per capita in the world. Instead of having billions of unemployed, it has people teaching. Culture in our country has boomed in all areas. Sports have been promoted. We placed fifth in the Olympics in Barcelona. Except for a single gold medal, we would have been above China, even though that country has over 1 billion people. In Cuba, all children from 6 to 11 years of age, and over 95 percent of those aged 12 to 14 are in school. That is one of the accomplishments of the Revolution in the area of social development.

In the area of economic development, our country did great things to achieve as much as it did. It is true that with the disappearance of the Socialist Bloc, we lost 80 percent of our trade. Our imports dropped from \$8 billion to \$2 billion. The blockade became more intensive. The Torricelli Law aggravated the blockade and made it more difficult.

Nevertheless, we are now in 1993 and we are still resisting. Cuba is resisting simply because to us, politics is the art of the impossible. We are doing impossible things, and that is why we are enduring. I ask myself what other country could have endured and resisted as much as Cuba has. Cuba has. In other words, it is a country infused with great values, patriotism, and revolutionary spirit.

Of course, the situation is difficult and serious, but we continue to struggle, because many things have been the art of the impossible. Bolivar's struggles in Venezuela were the art of the impossible. That is why Bolivar was said to be the man of difficulties and why he overcame very difficult situations. If you analyze history, you will

realize that history is full of the art of the impossible when man struggles, resists, and believes in his ideas. Cuba resists and continues to resist with the support, encouragement, and moral solidarity of many millions of people in the world who want us to resist, because they would see the crushing of the Revolution as a great victory for hegemonism and the unipolar world, and a great defeat for all small countries and all peoples who are struggling. Despite all the lies and the slander, they see Cuba as an example of bravery, dignity, and integrity, and the defense of independence.

In the past, when the socialist bloc existed, we were described as satellites. Can they call us satellites now? When the sun that was the Socialist Bloc and the USSR exploded, Cuba continued to shine and continued along its path. This shows that we were not a satellite, but that we shone by our own light. For several years, we have been alone against hegemonic imperialism. This has great historical merit, and I believe history will record Cuba's heroism in this struggle. We are working. We are not sitting with our arms folded. We think creatively about everything that helps us to preserve our country and our Revolution.

When we started, we were very few in number, and people wondered if we were crazy. At one time, we were a handful of men against an army of some 80,000 men, and after 25 months, we had triumphed. It was demonstrated once again that politics, true politics, is the art of the impossible. If we were to believe that one should not struggle for something that seems impossible, there would be no history, because we would have remained in the times of Adam and Eve. In those times, who could have imagined a consumer society? Yet the consumer society is a reality, although not a victory. The consumer society is an apple that is much more forbidden and will be much more costly to the world than Adam and Eve's apple.

[Reporter, in Portuguese] You spoke of independence, but when Cuba lost the support of the USSR on which it depended, and the American blockade was intensified, the country's situation became very difficult. How long can the country withstand this situation? Does the country have any plans for resisting on its own? Would a new government elected by the people with the participation of other parties be a solution?

[Castro] Well, when the USSR disappeared, it was not a case of Cuba losing the support of the USSR, but rather of the USSR losing itself. We did not lose the USSR. The USSR and the Socialist Bloc lost themselves. We have not lost ourselves. However, Robinson Crusoe was more alone than we are, and yet he survived. We are struggling to survive, doing more than Robinson Crusoe, because no one bothered Crusoe, but people are bothering us daily. You ask if we think we can withstand. We believe we can survive if we work with maximum efficiency, greatest fighting spirit, and maximum intelligence.

Well, that is important, but if there were no Revolution like the one under way in Cuba, no united people like ours, we

would be unable to resist. If we fragmentize the people today into 10, 20, or even two parties, the Yankee Party and the Party of the Revolution—in today's Cuba, there are not and could not be any other two parties—we could not resist. I believe our people's solid unity is our most important weapon for resistance. Anything else would imply beginning to make all kinds of concessions that do not save anyone. Did the USSR save itself by doing all that? That entire recipe was recommended to the USSR. It destroyed the party; it destroyed the state; it destroyed the government; it destroyed history. What was left of the USSR? Absolutely nothing. A very sad, very difficult process began. It was a process full of incidents, of wars among sectors that had formerly been closely united, and of a country that is still threatened with further disintegration. We cannot be willing to do this.

In other words, in response to the question, from our viewpoint, those remedies would be disastrous for our country and would not help it resist the U.S. infiltration, hostility, and blockade. They want to divide us into thousands of fragments, and to fragmentize our country would mean certain defeat. It would imperil our independence, the Revolution, and the socialist accomplishments that our country has achieved.

[Reporter, in Portuguese] A revolution began in Cuba 33 years ago. It was directed against corruption and social injustice. Thirty years later, Peruvian President Fujimori used that same principle to close Congress. I would like to know if this is the path of a trade war [camino del combate comercial], if that same struggle is still under way in America. [sentence as heard] Do you think these are the right methods?

[Castro] I believe the situations in Peru and Cuba are not comparable. Cuba was living in tyranny, a bloody tyranny. Cuba was not fighting just for freedom, but also for social justice. Cuba was struggling for a social revolution. No social revolution has been proposed in Peru. No revolution has been carried out in Peru. I understand that in Peru, an attempt was made to rectify some problems, end corruption where it existed, establish order and respect for the law, and end certain privileges, but not carry out a revolution. I see no point of comparison between what occurred in Peru and what occurred in Cuba.

On the other hand, I do not want to become a judge of what occurred in Peru, because things have happened in many places. Things have occurred in Venezuela, Guatemala, and other countries. You ask me if the method is correct. That is difficult to judge. Those are not classic revolutionary methods, but only the future will tell if the objectives pursued by the Peruvian Government will be achieved or not. In such cases, I prefer the legal, constitutional methods, but I respect every country's right to apply its own formulas and to resolve problems by the paths that it deems necessary. I understand that the Constitution has been reinstated in Peru, and an attempt

is being made to return to normalcy. However, neoliberalism is also being applied in Peru, as in other Latin American countries. There are no major differences.

I do not believe the situation merits so much prominence or importance. The thing is that a path is being opened to certain theories that conspire against each country's sovereignty. We, Latin Americans are still not united. We still have not formed a great economic and political community. Each country is independent, and as long as each country remains independent, its right to resolve its problems by whatever means it seems fit must be respected.

However, that is not the path we took. We took a different path. Their path is not ours.

[Reporter] I would like you to make an assessment of the economic and political situation in Brazil, where there is great social disparity, great differences, and extreme poverty. At the same time, it has one of the most modern telecommunications systems in the world. I would like the president to discuss how that system helps to heighten the people's awareness. If Cuba were in the same situation, how would you handle that situation? Afterward, I would like you to autograph this book on Fidel and Frei Betto doctrine.

[Castro] Very well. You understand that you are asking me a very difficult question. I would have to become an arbiter, a judge, and a critic of the situation in Brazil, a country in which we have official and normal relations, a country in which we are very interested, and a country in which we are a guest. Noblesse oblige us to be cautious in making analyses. Brazil's economic and social situation is similar to that of the rest of Latin America. According to a report published by the Economic Commission for Latin America and other international agencies, Brazil has economic difficulties. In 1992, its growth rate declined, and its inflation was high. It has many economic, as well as social problems. It is also suffering the consequences of the international economic crisis, unfair trade, and all the problems of this type that the other Latin American countries are experiencing.

However, in this situation, I must think about the positive things. I believe Brazil's performance at this summit has been excellent. It gave the summit substance. It brought up the subject of development, with special emphasis on social development as the central topic of the conference. I think this was important. Brazil worked very seriously and with great independence on this, trying to give the summit substance, and resisting pressure. We appreciate this.

With regard to Cuba, Brazil's policy has been to be friendly. Brazil has resisted pressure from the United States. It has been very hospitable and very attentive to our delegation. As for the general political context, Brazil is not characterized as being in the vanguard of neoliberalism. In addition, amid this situation, it is making an effort to defend the strategic branch of the economy. It has shown great independence. I do not know how it will

resolve its problems, because I have asked that question of different Brazilians, and they themselves have no clear answer as to how those problems are to be resolved. However, the important thing is that, whatever its difficulties, Brazil is playing an important role in Latin America. If Brazil had yielded to U.S. pressure and shown a hostile policy toward Cuba, as some countries have done, it would be very difficult and very serious for our country. However, much to the contrary, Brazil wants to develop technical, cultural, economic, and commercial exchange with Cuba. That is something that we emphasize and appreciate, not because it is beneficial to our nation, but because we think it is a fair, principled policy.

Now, as for my thoughts, I think that Brazil has enormous natural resources, enormous potential resources. If Brazil develops those resources, it will become an international economic power. If its efforts are linked to those of Latin America, it will be even greater. Latin America is very interested in Brazil's presence, because a Latin American union without Brazil would be very weak. It would be nothing. Although Brazil is the country which has the least need for a union, since it has 8 million square km and over 150 million inhabitants, I believe that Brazil still needs Latin American unity. Latin America needs Brazil, and Brazil needs Latin America. That is why we believe that Brazil's role is necessary, and we are pleased with the role that Brazil is playing at the international level.

Further, I believe that Brazil should one day become a permanent member of the United Nations. [sentence as heard] When we achieve this, and even before we democratize the United Nations—the United Nations has to be democratized; the veto and the election, or rather the idea of permanent membership in the Security Council must be corrected—when the United Nations is truly democratized, I believe there must be an intermediate phase in which the United Nations is transformed as much as possible. In this area, we could apply the art of the possible, even though it seems very difficult.

At least, we should proportionately increase the number of Security Council members, considering the fact that at present the United Nations is made up of almost 200 independent states. It began 50 years ago with 50 states. I believe that for the time being, we should strive to obtain an increase in the number of Security Council members. Moreover, we should triple the number of permanent members and, if not eliminate the veto, at least change it so that it is not the prerogative of a single country but of several countries.

I explain this because I cannot conceive of a United Nations organization in which over 400 million inhabitants do not have a single representative, or in which a country like India, with almost 1 billion inhabitants, does not have a representative in the United Nations. [as heard] That is the reason, at this summit, we broached the idea of struggling for the democratization and reform of the United Nations. I attribute a very important role

to Brazil in today's world, and in tomorrow's world, especially in unity with Latin America. We are greatly interested in stability in Brazil, in seeing Brazil overcome its current economic difficulties. However, I can assure you that if you gather together the seven wise men of Greece, they could not answer your question as to what I would do if I were here in Brazil. I can only say that I wish Cuba had Brazil's natural resources. I wish Cuba had the potential in all areas that Brazil has. However, I do not have a remedy or a prescription for Brazil. I trust, however, in the Brazilians' patriotism and competence, in the Brazilian worker's ability to provide an answer to that question.

[Reporter, in Portuguese] You have been calling for a Latin American union, and you emphasized that at the conference. However, considering the way the blockade was handled in the final document, will that objective be achieved finally, or will the diplomacy [as heard] of the countries that maintain very close relations with the United States prevail over that solidarity at some time?

[Castro] The United States is trying to exercise great influence on Latin America. The United States wants to incorporate Latin America into its economy. That poses a historic challenge to our peoples: how to carry out their own integration, an independent integration, no matter what kind of economic relations they have with the United States and the rest of the world. The United States will do everything possible to prevent the establishment of a united and integrated Latin America. The United States undoubtedly exerts enormous influence over the Latin American countries individually, just as it does on other parts of the world, as a result of its great economic, political, and military power. It does not seek to unite, but rather to divide, because when we are divided, we are weak and more easily exploited. Therefore, Latin America has not been characterized by great independence. That is the reason I said that I consider these summits an important step toward raising awareness of the need for unity. Moreover, necessity obliges Latin America to unite, because otherwise, it will have no future. No Latin American country can guarantee its independence and security in isolation. I believe that one of the greatest crimes committed against history and the aspirations of those who founded our countries is the division that we maintain today. I think the fact that a paragraph in that declaration defines the blockade and condemns it—in terms that are not very emphatic but nevertheless clear—the fact that a paragraph was drafted on the blockade may not be a fundamental element of union, but the fact that a paragraph concerning Cuba was drafted is an important step toward union.

In addition, as you know, this problem was also discussed at the United Nations, and only three Latin American countries supported the U.S. policy of blockade. Many abstained and dozens of countries voted against it. In other words, there is heightened awareness of the struggle against the blockade, because thinking people, whatever their ideology, realize that the blockade is anachronistic, unfair, and criminal, and should end.

Therefore, the paragraph is an important step in that direction. However, the path to Latin America unity is long and requires a lot of effort, dedication, and conscientiousness. Otherwise, we will be nothing in the 21st century. We will be dependent, subjugated nations, with formal independence but no real independence, because the world of the future is a world of great economic and political giants. It is our duty to work to create an economic and political giant in Latin America, if we want to have peace, security, and independence.

[Reporter] With regard to the ant-and-elephant relationship you mentioned a short time ago, I would like to know what the ant would consider to be an initiative from the elephant, that is, the United States and, in the event that such an initiative were taken, what Cuba's goal would be in its relations with the United States. What would be a better, more perfect economic, political, and trade relationship?

[Castro] I think that the first step the United States should take would be to stop committing a crime. That crime is the economic blockade of our country, including food and medicines, and the systematic sabotage of all our developmental efforts. The blockade is not just a packet of laws to prevent trade between the United States and Cuba; it is a systematic effort all over the world, a system of pressure on all nations, and the use of threats of reprisal to keep them from trading with Cuba. Thus, the blockade is universal. The United States is pressuring countries, companies, and even individuals who want to maintain commercial operations with Cuba. It is an implacable and systematic policy to keep our economy from developing, to keep us from having foreign exchange for imports, to keep us from having markets for our exports. The policy being applied to our country is truly cruel and relentless.

I believe the United States should take the first step in that direction. I feel that would open the way for the reestablishment of normal, civilized relations on the basis of international law and mutual respect. We are prepared to work in that direction, and I believe there are prospects for the development of normal economic and diplomatic relations between the United States and Cuba.

Actually, we have always held that position. We see no point in maintaining tense, antagonistic relations with the United States. We have some relationships in the area of sports. We compete in international events; we exchange teams and have other similar interests. There are some relations of that type, but I believe there are economic prospects. Our country has resources. Our country has some technology and is developing a great deal in the areas of science and technology, health, and many other areas. We also have possibilities for a broad and normal relationship between the United States and Cuba in the economic area.

Our only disadvantage is that we are a small country, and that is used as an argument by those who cynically say

relations with Cuba are not very important because Cuba is a small country and does not provide a large market. They say that, on the contrary, relations with China are important, because China is a large country with a large market. In other words, they use the cynical argument that, because Cuba is a small country, relations with it are not important, and it can and should continue to be blockaded. For that reason, in the matter of relations, we are not defending just commercial or material convenience; above all, we are defending a principle. It is not right for one country to try to strangle another country economically. All small countries feel threatened by the idea that if they ever are at variance with the United States, similar methods may be applied to them.

[Reporter] Mr. President: I understand you said here at the summit that Cuba is open to foreign investment. Could you confirm this and tell us what kind of investment, in what areas, and what Cuba is doing to attract investments of any kind?

[Castro] It is true. If we truly had capital, like Kuwait or other oil-producing countries, if we had a great deal of capital, if we had technology, or a market for everything, we would not care so much about an influx of foreign capital. When foreign capital comes in, something is always lost: some resources, a part of the labor force, a part of the country's economy. If you were a peasant who had a cow, you would prefer to own the cow so you could milk it and keep the milk. But if you own only half of the cow and you have to give up half of the milk, you would not be as happy as if the cow were entirely yours. That is why we do not consider foreign investment to be the ideal; it is a necessity. If the country has no capital, no technology, and no market, it needs foreign capital.

[Text] When the socialist bloc existed, we made many investments through credits, with the cooperation of the socialist countries, and we did not place so much emphasis on receiving foreign capital, although we had already reached the conclusion that there are certain areas in which foreign investment is necessary. For that reason, the principle we follow is that in areas where foreign companies can bring in capital, technology, and markets, it is advisable to associate with foreign capital for the country's development. In our present circumstances, with the disappearance of the socialist bloc, common sense and the art of politics, as it was described here, require that we be realistic and bring about the miracle of the impossible by accepting foreign investments in our country. We began with tourism, but there is a broad area in which foreign investments can be made. In areas in which we have capital, technology, and markets, we do not need foreign capital. However, in practice, we apply this principle as the need arises, and every day we discover new areas in which the presence of foreign capital is possible and advisable.

We are working in this regard; we are providing easy terms; we are providing incentives, and we are allowing them reasonable and interesting profits. We tell them, moreover, that our country is the safest country for

foreign capital, because in any other country, there is always the danger of a socialist revolution. [laughter] Since our country already has socialism, the only danger is that there may be a capitalist revolution. No one would have any problems with a capitalist revolution; no one would lose his investment.

Experience has shown that the first investors are very pleased with the way things are going, and this encourages new investment. The main obstacle is the blockade by the United States, which is exerting very heavy pressure. Many of those who would like to invest come up against the wall of that blockade. It discourages many people. However, if the blockade did not exist, I can assure you that there would be a flood of foreign investment in Cuba, within the framework of the principles that I explained.

[Reporter] Commander, almost 26 years ago, Che Guevara died with weapons in hand, waging guerrilla warfare in Latin America. After him, thousands of other youths also died in an attempt to change the situation in Latin America. They failed to do this in almost all the countries. Today, the Latin American Left is stronger than ever, at least from the electoral viewpoint. Here in Brazil, perhaps Lula [Workers' Party president Luis Inacio da Silva] could win the next elections. The same thing is happening in other countries: Uruguay, Venezuela, and also Central America. What does this mean: that the Left wins in the polls and loses with weapons? Are revolutions still possible today in Latin America and the world?

[Castro] I do not accept the premise that Che Guevara and those who died have failed. That would be equivalent to saying that Bolivar, Marti, Sucre, and O'Higgins failed. Hidalgo, Morelos, San Martin, Morazan, and all those who fought for the true independence and the unity of these countries did not see their dreams realized. Yet no one feels that they failed. Their ideas are still valid, and thanks to their efforts, we have a group of countries that are formally independent. A culture has been created today, and a world has been developed in our hemisphere that is not the world they dreamed of, nor is it the world we need. That is the reason it is not possible to say that Che and all those who died in defense of just ideas failed. The dreams of today, as Marti said, will be the laws of tomorrow. Therefore, failure is the wrong word. If they had failed, no one would remember Che and he would not have been mentioned at this time.

Armed struggle emerges in a special situation in which the great majority of Latin American countries submitted to the demands of the United States. They joined in the blockade of Cuba, and a number of governments emerged by force to apply ferocious and bloody repression to prevent the peoples' progress and to defend the interests of imperialism. If you remember the first and second Declarations of Havana, you will remember that we did not advocate armed struggle as the sole and universal instrument or form of political struggle. We said that where all paths had been closed off, where there

were no guarantees, where there was no path of legal struggle, the only recourse was the use of weapons. That was the thesis postulated by the Cuban Revolution in its first years. However, armed struggle was not advocated as a universal remedy.

That situation has changed. Today, many Latin American countries have established neoliberalism. No one has advocated an armed struggle against neoliberalism. It is a political, ideological struggle, a matter of time until neoliberalism has produced all the fruits it is capable of producing—hunger, poverty, inequality, and injustice. No one has called for an armed struggle against neoliberalism. No one has advocated an armed struggle against constitutional regimes. In the beginning, we, ourselves, who were revolutionaries and who believed that we had to carry out a revolution, that the revolution had to be staged from the seat of power, and that it had to be done from the seat of power [repeats himself], nevertheless did not resort to an armed struggle. We turned to political struggle. We began with a political struggle. It was Batista's military coup that created the conditions for an armed revolutionary struggle in Cuba. That was our country's history. I believe that today there are constitutional means of waging the struggle in practically all countries. Therefore, the conditions are not appropriate or ideal for waging an armed revolutionary struggle and it would not be justifiable.

That is the Cuban Revolution's position. It remains to be seen whether socialism can be built by constitutional means. We should not forget the example of Chile, which represented the great dream of building socialism by constitutional paths. You all know how much we supported Allende and the path he took, and his peaceful political and constitutional efforts to establish socialism by constitutional and political means. That historic experience was, however, unfortunately unsuccessful. Why? There came the coup d'etat, the repression, the disappearances, and the experiment in socialism by peaceful means could not be realized. This does not mean we have to declare as a dogma that it is impossible to establish socialism by peaceful means. We would be dogmatic if we said that. Perhaps some day history will demonstrate that socialism can be built by peaceful means. That has not yet been demonstrated, but we hope it will be.

[Unidentified speaker, in Portuguese] First, I wish to deliver a statement of solidarity with the Cuban people that was prepared after the Ibero-American meeting. I work here in Salvador. [applause] I also wish to ask you a question.

[Castro] Yes. She says she would like to ask a question, if you will allow it.

[Speaker, in Portuguese] I would like to know what Carlos Menem represents in Latin America today. He is a president who has been very critical of Cuba. Speaking from the same viewpoint of the ant to the elephant, what would Cuba's relationship with Argentina be, or would

Cuba seek such a relationship to reach an understanding? Another thing: What specifically has been achieved with regard to bilateral economic relations with Brazil?

[Castro] On this occasion?

[Speaker] Yes.

[Castro] With regard to your first question, we could not say that relations with Brazil, no, with Argentina [corrects himself] are the relations of an elephant and an ant. It is a relationship between brother ants, although Brazil, no, Argentina, [corrects himself] is a bigger ant than Cuba and has more economic resources than Cuba. These are problems within the family. They are not even problems between individuals, because we have not wanted them to develop into personal conflicts. We feel great affection for Argentina and great friendship toward the Argentine people. We have received many demonstrations and expressions of friendship and affection from the Argentine people. Moreover, during the famous War of the Malvinas, even though Argentina had a military government that had committed many atrocities, we put aside ideological and political problems and, considering that Argentina was a brother country, we gave it our full support in international organizations and everywhere. We were even prepared to send forces to fight alongside Argentina against the British. When everyone began to fish in the waters around the Malvinas, because of the great disorder there, Cuba was the only country that did not fish there, as a matter of principle. Thus we have pursued an irreproachable policy of friendship and loyalty toward Argentina. It has no cause to complain about us, and we value that relationship highly.

What happened is that Menem harshly attacked Cuba, not at summit meetings, but in press interviews outside the conference. However, we have retained our calm and sangfroid with regard to these problems, because if we are fighting for unity, verbal wars among Latin American leaders are senseless. If we do this, whom will we be helping? Imperialism. Thus, the people, instead of considering the problems that they should be thinking about, will be attending the war of words between the leaders of Argentina and Cuba.

It is not that we do not like to box. Actually, our country is an Olympic and world champion in boxing; when our boxers take a jab, they like to respond with another jab or a hook. In other words, we are fighters, we are wrestlers. But this is not a question of wrestling or fencing or boxing. It is a matter of intelligence. We think we do our duty better by being patient and calm in response to those attacks, rather than giving the enemy the pleasure of seeing this kind of problem. At the meetings, respect prevailed. Whenever there was a difference of opinion, it was expressed in a respectful, good-humored manner. Whenever I chanced to meet Menem, we greeted each other as usual. There is no personal enmity of any kind.

Because those statements were made, however, the press reported them and tried to fan the flames of this type of personal (?disagreement).

I feel, however, that this is a struggle of ideas, principles, and intelligence. Intelligence has its rules, its methods. We have tried not to divert attention from the conference. The newspapers had a lot to say about a meeting between Menem and Cuba, claiming that Menem wanted to be a mediator, that Menem had brought a message from Clinton. To tell the truth, I learned about all this from the newspapers and I think nothing can be resolved or settled by such procedures. If one is serious about wanting to do something, one must work with discretion. If one wants to use diplomacy, then the rules of diplomacy must be observed. Many newsmen asked about a meeting that was to take place, and we knew nothing about any such meeting. It seemed as if that was the most important aspect of the conference. However, we simply did not lend ourselves to that game. I have no objection to meeting or talking with any Latin American leader. I have done so with many of them, but I am prepared to participate, to invest time in matters that are handled properly, rather than as mere publicity as was the case here.

Some newsmen have asked me: What do you have to say about the attacks that have been directed at you at this conference? I responded very frankly: I have not heard them; I have not read them. I am telling the truth. I have neither heard nor read them.

As for the matter of Brazil, relations are being developed and there is good will on both sides to advance along this path. That good will was reaffirmed at this conference. There are many areas in which we can work and cooperate, and that premise, that policy has been reaffirmed. There was nothing specific, just general principles. A minimum of time is necessary for this to be implemented.

[Reporter] It has been said that communism has failed, that capitalism and neoliberalism have won. Yet, on this continent, under capitalism and neoliberalism, 200 million out of 400 million people [numbers as heard] die of hunger. It is quite notable, in this context, that the head of the only socialist country on this continent should have suggested some of the most important parts of the final document. The first dealt with the need to correct unfair trade. The second concerned the fact that Latin America is absent from the UN Security Council and it is necessary for its 400 million people be represented. Third, you were the only one to speak about multinational drug traffic, a reality on this continent that must be attacked, combatted, and defeated, because it has a determining influence on life in the Latin American countries. How come all your proposals were incorporated into the document? Was it due to your personal charisma, or was it that they were obvious and irrefutable proposals?

[Castro] I cannot take credit for that. I have the document right here, but I have not yet been able to read it

completely. All these documents are drafted in the process that precedes the conference. A lot of people work on them. The foreign ministers also work on these documents and are ultimately the ones who draft them. The document was presented to us on the last day of the conference. We told that the foreign ministers had worked hard on it, and we were asked not to make too many changes, so as not to prolong the conference. Thus, I cannot claim personal credit, because it is the work of many people. It was approved because it reflects the opinions and growing awareness of these problems.

[Text] The importance of the conference does not lie solely in the documents. It lies in the speeches made in the course of the conference. It was there that I spoke with greatest emphasis on the matter of the reform and democratization of the United Nations. I also broached the matter of the struggle against drug trafficking, which I understand is the subject of an important paragraph here. However, in essence, the document is the result of collective effort. Cuba had an input in the drafting of the document, of course, just as other countries did.

As for the disappearance of...[pauses] the triumph of capitalism and the failure of communism, perhaps some day socialist ideas may reemerge, stronger than ever, because many people are deluding themselves. The developed capitalist countries which are the champions of neoliberalism today are facing insurmountable problems: the United States, the EC, Japan, the whole world. Even those who are in the best of circumstances have very serious problems. I ask myself if, within 50 or 100 years, assuming that Latin America is united and developed, we will have the same problems as Europe, with tens of millions of unemployed, xenophobia, and persecution of immigrants from other countries. If that is going to be our future, it is a sign that capitalism has not triumphed. Capitalism has had its greatest successes in the production of material goods, not in the resolution of moral problems. Capitalism still does not know how it is going to eliminate drug addiction and many other problems of that type, how it is going to end unemployment, inequality, and social injustice. What kind of future does neoliberalism promise us who have arrived late? That of Europe and the United States? I think that is no future.

One thing that cannot be stopped is man's ability to create, to think. One thing that cannot be lost is man's ability to dream, and mankind will continue to dream of a better world, because no one can resign himself to this unlucky world that we have today. That is why I believe in the rebirth of progressive and socialist ideas. Yesterday, in Sao Paulo, when the bus carrying many heads of state arrived, there were many people waving Cuban flags and banners supporting Cuba right there in the heart of Sao Paulo where the meeting was to be held. Of course, I was embarrassed. I blushed at the sight of so many people supporting Cuba. All I could think to do was make a joke, so I said: What you are seeing there shows that there are still some socialists in the world. There was not a neoliberal in sight. [applause]

Alarcon, Castro Attend Sao Paulo Forum, Meet With Participants

FL2307180393 Havana Radio Rebelde Network in Spanish 1700 GMT 23 Jul 93

[Text] As part of the activities of the Sao Paulo Forum being held at the Convention Center, Comrade Ricardo Alarcon, president of the National Assembly of the People's Government, met during the evening of 22 July with the foreign visitors. Commander in Chief Fidel Castro also participated in the meeting and made several statements in response to the participants' questions. We now present an excerpt of the final portion.

[Begin Castro recording] If our convictions were not so deep we would be afraid, demoralized, and on our knees before the empire begging for our lives. We are not willing to sacrifice a single one of our principles to save our lives. This has nothing to do with those things we might be forced to do so that the Revolution survives; or the things we might have to do today or in the future so that our socialism is perfected.

We have principles but no dogma. Dogma and principles are not the same thing. Principles are rooted in ethics, the right conduct, convictions, beliefs. Dogma means something else. It means something inflexible, immutable. We are not dogmatic revolutionaries. This means that every improvement of our socialism is possible. What will never be possible is for us to relinquish our ideals, goals, principles. [end recording]

Castro Defends Socialist Principles

PA2407015393 Havana Radio Havana Cuba in Spanish 0000 GMT 24 Jul 93

[Report by Pedro Manuel Botero on statements made by Cuba President Fidel Castro during the Fourth Sao Paulo Forum in Havana on 22 July]

[Text] Cuban President Fidel Castro defended the convictions for which Cuba has been struggling for more than 34 years. He recalled that since the fall of the socialist community, the revolution has stood by itself based on its principles and with sacrifice. Castro spoke during one of the sessions of the Sao Paulo Forum, which began in Havana on 20 July with the participation of more than 100 organizations and political parties from Latin America and the rest of the world.

[Begin Castro recording] Now, the socialist bloc and the USSR have disappeared, and we are alone. We have been struggling alone for the past four years, and we are determined to struggle till the end, in other words, till victory or death. By this, I am not saying that we are martyrs. We defend ideas. We may be wrong in some aspects, methods, or procedures, but those procedures will never be inhuman. I can affirm this categorically, too. We will never use cruel procedures, because in addition, we are the most slandered country in the world. You can ask any citizen, even those who are against the revolution. They can be against communism or anything

they want, but they cannot deny the irreproachable history of this revolution on the subject of human rights. We are a harassed, threatened, and slandered country, but we resist and struggle.

Has there ever been, in the course of history, a more powerful empire than the United States? I [words indistinct]. Is there any empire in the world more powerful than the United States? Well, that empire wants to destroy us, wants to erase us from the map. We maintain our struggle [word indistinct] because we defend ideas, not interests. We have managed to make the majority of our people understand that we are defending ideas. [end recording]

Concerning this point, Fidel Castro reiterated that we struggle for principles, and not dogmas, and therefore the measures adopted recently in Cuba are aimed at perfecting socialism. [passage omitted]

Criticizes Neoliberalism

PA2507135193 Havana Radio Havana Cuba in Spanish 1300 GMT 25 Jul 93

[Text] Cuban President Fidel Castro said the main task of Latin American and Caribbean countries today is to defeat neoliberalism, an economic policy condemned during the fourth meeting of the Sao Paulo Forum, held in Havana.

At the closing of the meeting, Castro said that in essence, neoliberalism is a doctrine of sacking which, he said, results in poverty for the majority, unemployment, a lack of attention to health and education, abandonment, violence, and drugs.

Castro said in Latin American and Caribbean countries the neoliberal formulas have brought those evils [words indistinct] unemployment and lack of social justice.

Castro stressed that only through unity and integration will Latin American and Caribbean countries be able to face neoliberalism [words indistinct] would disappear as nations and independent states.

Castro added that the Sao Paulo Forum held in Havana is a lesson in democracy and audaciousness, and described its final declaration as a program of struggle for the left in Latin America and the Caribbean.

Urges Guerrillas To Seek Peace

PA2507222193 Mexico City NOTIMEX in Spanish 2054 GMT 25 Jul 93

[Text] Havana, 25 Jul (NOTIMEX)—Cuban President Fidel Castro on 25 July appealed to Latin American guerrilla forces to seek peaceful solutions to the problems of the different countries where there are belligerent forces. Castro said that at this moment in time the armed struggle in Latin America is not the path for the countries of the continent to resolve the situation. "It is necessary to seek negotiated solutions on fair bases and with real guarantees." "It is necessary to achieve a popular victory, not a victory through weapons," he remarked.

National television on 25 July aired the closing speech of the president of the Councils of State and Ministers closing the fourth session of Sao Paulo Forum in Havana, which was attended by 105 representatives of political parties of the area.

In his speech, the Cuban president criticized former U.S. President George Bush "for his warmongering policy" and rejected the United Nations' becoming an instrument of the United States. He asked if the UN mission was to militarily invade countries with the pretext of humanitarian aid, instead of finding peaceful formulas to fight underdevelopment.

Castro referred to the threat posed by the United Nations becoming an instrument of the powerful. He appealed for an intelligent defense of principles in light of that reality. He recognized that at this moment it is not realistic to think of a complete democratization of the United Nations, but rather to achieve progress in some fundamental aspects of representation and veto right. "We cannot allow the United Nations to become an instrument of hegemonism," he stressed.

Cuban President Castro gave the closing speech of the fourth session of the Sao Paulo Forum on the night of 24 July.

Castro on Dollars, Electoral System

FL2307131093 Havana Radio Progreso Network in Spanish 1130 GMT 23 Jul 93

[Text] President Fidel Castro has reaffirmed that, for Cuba, to maintain national unity is vital. Castro spoke last night at the Fourth Sao Paulo Forum under way at the Convention Center in Havana. Fidel reported on the current Cuban situation and talked about, among other things, the activities of the People's Government and the essence of Cuba's electoral system. He also broached the topic of the decriminalization of possessing dollars and other measures that Cuba is planning to adopt.

In addressing the representatives of over 100 parties and organizations of the left that make up the Sao Paulo Forum, Castro stressed: I respect the conditions of a system of multiple parties, under which you wage your battles.

Fidel answered questions from forum participants, and pointed out that here in Cuba, the weapons are in the hands of the people, and that one would have to see what would happen under capitalism, were that the case there.

Forthcoming Currency Law

PA2407233093 Mexico City NOTIMEX in Spanish 0246 GMT 24 Jul 93

[Text] Havana, 23 Jul (NOTIMEX)—The Cuban Government said on 23 July that the forthcoming law lifting the ban on the possession of foreign currencies will itself impede the massive circulation of dollars. President Fidel Castro announced that the Council of State, the

highest administrative authority on this island nation, shall be the one authorized to issue the new law decree lifting the ban.

During a speech he gave during the fourth meeting of the Sao Paulo Forum, which is an organization made up of left-wing political groups from Latin America, Castro said that the planned measure discards free circulation of foreign currency. [sentence as received] "Foreign currencies are stubborn and will circulate on their own," he said in a metaphoric joke regarding the stubbornness of international legal tender and alluding to the possible creation of a black market following the implementation of the measure.

Local economists who asked not to be identified, have considered the possibility of the law, currently under discussion, including the creation of bonds which currency holders, particularly those holding U.S. dollars, could purchase for an equivalent amount. According to specialists, the law will prevent the massive and uncontrolled circulation of dollars on the Caribbean island.

Carlos Lage, the secretary of the Executive Committee of the Council of Ministers, explained that the proposal to lift the ban on holding foreign currency will serve to cleanse internal finances and reduce the amount of cash in circulation. Lage, also a member of the Politburo of the Communist Party of Cuba, said that the measure is directed at reducing the amount of dollars illegally circulating in the country and promoting increased production. Lage affirmed that the plan, which will go into effect shortly, is also directed at reestablishing major internal financial balance, in order to adapt to the new realities.

Castro Attends Morning Session

FL2307152293 Havana Radio Rebelde Network in Spanish 1435 GMT 23 Jul 93

[Excerpts] [Passage omitted] The first to speak this morning at the plenum hall [of the Convention Center] was Patricio Echegaray, representative of the Communist Party of Argentina. [passage omitted]

Today, as in all the days past, forum participants are also exchanging views with the president of the Council of State of the Republic of Cuba, our first secretary of the Communist Party of Cuba, Comrade Fidel Castro, who has been at work since 0900 sharp, listening to the opinions and views held by the participants to this Fourth Sao Paulo Forum. The work in committees is scheduled to begin at 1100, and I think that we will be able to expand reports, providing details, in future programs—since in a few minutes, a news conference by Luis Inacio (Lula) da Silva, secretary general of Brazil's Workers Party, will also be starting.

Alarcon Addresses Forum

FL2307143193

[Editorial Report] Havana Radio Rebelde Network in Spanish at 0100 GMT on 23 July carries live an address by Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], to the Sao Paulo Forum.

Alarcon begins with a summary of subjects to be covered: the Cuban People's Councils and the process resulting in the present National Assembly. He stresses the continuity of the political process, institutional system, and improvement programs in the Revolution's history. Alarcon adds that it is wrong to think this process is the result of recent phenomena, the process of betterment began in 1976. During the Fourth Communist Party of Cuba Congress important changes were implemented; mainly the selection method for deputies and delegates to national and provincial assemblies. Following the recent constitutional modifications, the municipal assemblies approve candidacies but candidates are elected by the whole population by free, secret voting.

Alarcon stresses the intense enemy radio campaign against the recent February 24 elections. However, he adds, the results proved the enemy wrong: voter's participation was 99.57. Alarcon provides a detailed description of the Cuban electoral process, stresses challenges before the new National Assembly, and subjects discussed at recent ANPP sessions: People's Councils and energy program. Alarcon describes duties of ANPP commissions created; mainly the sugar industry recovery commission and cultural commission.

Alarcon concludes with the issue of true democracy according to Rousseau; fallacy of bourgeoisie propaganda on representative democracy; and Cuba's effort to increase popular participation in government. The broadcast concludes after Alarcon ends his 52-minute address by opening the floor to questions.

Castro Comments on Silence on Menem's Remarks

PA2507005593 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Jul 93

[Text] Cuban President Fidel Castro has announced that his country has kept silent in the face of the constant, recent verbal attacks by Argentine President Carlos Menem so as not to play into the hands of the United States. In statements to national and international newsmen, who are covering the Fourth Sao Paulo Forum in Havana, the Cuban president said he would refer to the matter only if it was asked of him.

Fidel Castro told newsmen he did not know the reason for Menem's constant attacks against Cuba. He said the attacks have been occurring systematically without precedent, because relations with Argentina were normal

during the previous administration. The Cuban president recalled that in the past UN Security Council elections, Cuba did not wish to break the unity of the Latin American group. Cuba, therefore, gave its support to Argentina because our government is trying to handle with tact and respect the difficult and complicated international relations, he noted.

ICRT Joins Caribbean Broadcasting Association

FL2307142893 Havana Radio Progreso Network in Spanish 1100 GMT 23 Jul 93

[Text] Cuba joined the Caribbean Broadcasting Association on 22 July, during the 24th general assembly of this organization, which is meeting in Belmopan, the capital of Belize, a Central American English-speaking country. The Cuban Radio and Television Institute's [ICRT] request to be allowed to join the association as a full-fledged member was supported by its counterparts from Jamaica and Trinidad and Tobago, and was approved unanimously at a plenary session.

ICRT President Enrique Roman expressed thanks for the decision, and described the entry of Cuban radio and television into the association as part of the Caribbean nations' efforts to integrate in their economic and cultural development.

The Caribbean Broadcasting Association groups 38 members from the English-speaking region and another 27 from different nations.

EC Provides Funds for Optic Neuritis Victims, Research

FL2307182293 Havana Radio Rebelde Network in Spanish 1700 GMT 23 Jul 93

[Text] An EC spokesman has announced that this international body today granted Cuba 5.5 million ECU's, which is approximately \$6.2 million, to combat the epidemic neuropathy. Out of the total credit, 3.5 million ECU's are earmarked for the purchase, transport, and distribution of a family basket containing rice, lentils, pastas, cooking oil, canned fish and meats, and powdered milk and soups for the families of epidemic victims. Medical aid of 1.8 million ECU's will be used to produce a complex-vitamin pill and certain medicines locally, as well as to purchase equipment. Last, 200,000 ECU's will be used to train scientific experts through a Pan-American Health Organization program.

CDR Captures Fugitive Midnight Express Crewman

FL2407142493 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 14 Jul 93

[Text] The efforts of the Committees for the Defense of the Revolution [CDR] of Centro Havana Municipality against a suspicious individual in the early hours of 13 July, resulted in the discovery of Hugo Edgardo Portilla

Morel's whereabouts. He was a crewman of the speedboat *Midnight Express* that was captured on 1 July in Cojimar, Havana. He had been on the run.

During the investigation it was discovered that Hugo Edgardo had left Cuba illegally. He is the brother of Leandro Jorge Portilla Morel, a Cuban citizen who resides in Miami, Florida, and who is engaged in the illegal smuggling of people between Cuba and the United States.

Haiti

Cedras Says Negotiations Not Within His Authority

FL2307222593 Port-au-Prince Radio Metropole in French 1600 GMT 23 July 93

[Text] General Cedras gave an interview to the Mexican newspaper *EL SOL* on 23 July. Gen. Cedras said Haiti is facing secular problems that demand urgent solutions that are appropriate to our resources. He said he was convinced that if President Aristide shared his viewpoints, the country would be saved. It is not a question now of determining who is right and who is wrong. The general considers that the negotiations in which he participated and which will facilitate the return to power of Father Aristide constituted a final effort on his part, but did not fall under his authority as head of the Army. The general specified: I am just the chief in office, the guide of officers and soldiers and Haitians, who ardently wishes to live in Haiti, near his family, in the hope of greater well-being.

Gen. Cedras believes that his task is not easy, because it ranges from safeguarding the territorial integrity to protecting the lives and properties of all, without distinction. I must assume such a responsibility despite its heavy weight, continued the general, who concluded that while he and President Aristide will pass on, the eternal God will not let Haiti disappear or die.

Deputy Antoine Joseph Elected Chamber President

FL2307163693 Port-au-Prince Radio Tropic FM in French 1100 GMT 23 Jul 93

[Text] The normalization process of the Haitian parliament has begun. A new office was elected last night. Antoine Joseph, member of the Movement for the Establishment of Democracy in Haiti, the party of the former de facto prime minister [Marc Bazin], was elected president of the Chamber of Deputies. Joseph was elected by 42 votes to 20 for his rival, Deputy Joseph Rindal Pierre-Canel of the National Front for Change and Democracy [FNCD]. After the vote, the two candidates publicly embraced each other. Yves Pericles Beauge of the Nationalistic and Progressive Revolutionary Party of Haiti was elected vice president of this chamber.

The Senate has also begun its procedure for normalization in accordance with the Governors Island Accord

and the New York Pact. Due to the fact that the individuals selected during elections in January have been disallowed from participating, the Senate will now have to work with 17 senators including nine who represent the Constitutionalist [Anti-Corruption] Bloc. Certain FNCD senators including Jean-Robert Martinez asked the office presided over by Firmin Jean-Louis to remain in its post. Anyway, the new leaders of the parliament (?will have) to go to Washington immediately after they are elected.

According to the Haitian Constitution, the president of the Republic chooses his prime minister from the members of the party that has the majority at the parliament or, failing that, in consultation with the presidents of the Senate and the Chamber of Deputies.

Senate Could Elect New Office 24 Jul

FL2307215793 Port-au-Prince Radio Metropole in French 1600 GMT 23 Jul 93

[Text] The resumption of activities in the Senate will start soon. Work is in progress to support this resumption in the upper chamber, according to Senator Jean-Robert Martinez.

The National Front For Change and Democracy, FNCD, legislator who had just participated on 22 July in a meeting with his colleagues of the constitutionalist bloc also spoke of informal contacts with the Alliance senators with a view toward establishing a new office in the Senate. After the FNCD defeat on 22 July in the Chamber of Deputies, Sen. Martinez feels strong enough to control the upper chamber, at least partly. He answers Edner Jean's questions:

[Begin recording] [Martinez] We are starting to make contacts with the bloc for the Alliance For Parliamentary Cohesion so that we can try to have a balanced office in the Senate. For us, what counts is concord and to start on a really stable basis so that we have a real truce for the country.

[Jean] We see that things are moving in the Chamber of Deputies. Is there a scheduled date for at least a first session at the upper chamber?

[Martinez] Not that I know of. But we would like it to take place as soon as possible. Probably by tomorrow [24 July], because we must have a prime minister in this country by next week.

[Jean] What is the state of mind among the constitutionalists? Is there unity among the nine? Can you count on your nine members?

[Martinez] We can say that they are all in the country right now. We can predict that there will be a perfect cohesion between us, since we have struggled. We must not have defections now. I want to believe the Creole saying: Only a knife knows what is in one's heart. We are awaiting the hour of truth to know exactly. [end recording]

Delpe Justifies Refusal To Sign Pact, Criticizes Caputo

FL2307213893 Port-au-Prince Signal FM Radio in French 1030 GMT 21 Jul 93

[Report by Dally Valet on news conference by National Front for Change and Democracy [FNCD] Senator Turneb Delpe at the Legislative Palace in Port-au-Prince on 20 July—recorded]

[Text] Sen. Turneb Delpe held a news conference at the Senate of the Republic on 22 July. The international mediator has violated the first point of the Governors Island Agreement. This is a statement by Turneb Delpe of the National Democratic and Progressive Party of Haiti [PNDPH], (?a party affiliated with) the National Front for Change and Democracy on 22 July during a news conference. He held this news conference at the Senate of the Republic. Sen. Delpe explained the reasons that he did not sign the New York pact. Dally Valet filed the following report.

[Valet] ...the definitive office of the Chamber of Deputies, Sen. Turneb Delpe has just held a news conference during which he explained to the national and international public opinion the major reasons that he refused to put his signature on the document presented by Dante Caputo. This document is called [word indistinct] the New York pact.

According to the senator, if in February 1992 there were negotiations between two Haitian parties that resulted in the 23 February 1992 Washington agreement, in New York Mr. Caputo and his assistants finally imposed a document whose signing they demanded while threatening the consequences of refusal. The senator asserted that UN and OAS representative Caputo violated the first point of the Governors Island agreement by inviting to political dialogue individuals who do not meet the criteria set forth in the first point of that agreement, which specified "representatives of political parties represented at the parliament," and by imposing on the Haitian delegation a document making no mention of the social pact or the normalization of the parliament provided for in the first point of the Governors Island agreement.

The document presented by Caputo, according to Dr. Delpe, asks President Aristide, the parliamentarians elected in the 16 December 1990 and 18 January 1991 [date as heard] elections, and the Haitian people to acknowledge as full parliamentarians citizens stemming from an electoral masquerade organized by an unconstitutional electoral council on 18 January; whereas President Aristide, the Haitian Senate, the majority of the Haitian people, and the international community—through the resolutions adopted by the United Nations and the OAS, the Caribbean Common Market, the EEC, the European Parliament, and the Lome Convention—categorically rejected those fake elections and their results.

The senator reported that despite the analysis made in the light of the Haitian Constitution to prove to Mr. Caputo and the UN secretary general's friends that the Arbitration Committee does not have the required competence to rule on the case of the 18 January nominees, despite everything, Caputo imposed on the Haitian delegation a document giving final authority to the Arbitration Committee while the Constitution refers us to the Court of Cassation as final authority, asserted Sen. Delpe. Thus, the acceptance of Dante Caputo's document by some members of the Haitian delegation has automatically placed it above the Haitian Constitution, which constitutes a blatant violation of our fundamental charter, stated Sen. Delpe.

In a strong position because of all these reasons, Sen. Delpe says he does not at all regret that he did not sign that document which is not the result of true negotiations between two Haitian parties, but is, instead, the imposition of the wishes of Caputo, who moved out of his facilitator role to ally himself with the opposing camp without taking into account the reservations expressed on behalf of Haiti's demanding people by the Haitian delegation.

The senator concludes by saying that his stand (?does not mean that there is disagreement between) PNDPH and FNCD. During his news conference, Sen. Delpe pointed out that it is primarily based on his responsibility as a senator sworn to respect the Constitution and the Haitian people's rights and to see that they are respected.

President Salinas Welcomes FMLN's Shafik Handal*PA2507001693 San Salvador Radio Venceremos Network in Spanish 1800 GMT 22 Jul 93*

[Text] President Carlos Salinas de Gortari of Mexico welcomed Jorge Shafik Handal, the general coordinator of the Farabundo Marti National Liberation Front [FMLN] political party, at the official Los Pinos residence. In a communique, the presidency reported that the president and the Salvadoran leader discussed several aspects of Salinas' state visit to El Salvador on 14 July. During the meeting which took place in the Benito Juarez room, the two men addressed other issues Salinas had discussed with other Salvadoran leaders during the same visit.

Salinas, Spain's Juan Carlos Highlight Trade Increases*PA2207220893 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 20 Jul 93*

[Excerpt] State President Carlos Salinas de Gortari and his wife Cecilia Occelli accompanied Spanish monarchs King Juan Carlos and Queen Sofia to the Gelagetsa festival in Oaxaca. Later, at a dinner hosted by the president, the high interest in opening markets and increasing bilateral trade between Mexico and Spain was discussed. Mexico and Spain intend to open their markets and increase bilateral trade.

At a dinner hosted by President Carlos Salinas de Gortari in honor of His Majesty Juan Carlos I, King of Spain, Salinas said that both countries are experiencing a new relationship at cultural and economic levels. President Salinas briefly analyzed Mexico's advances and economic reforms and said that Mexico cannot have a successful economic reform without a deliberate social program.

[Begin Salinas recording] In Mexico, we are convinced that economic reform cannot be successful unless accompanied by a planned social program. Social, fundamental, and essential consensus in the political arena could not otherwise be attained. [end recording]

Spanish King Juan Carlos I referred to social development within a framework of social cooperation:

[Begin Juan Carlos recording] The definite idea is to adopt, in the face of new challenges, new models of cooperation more in accordance with our newly developed and integrated economies. [end recording]

Spanish foreign investment in Mexico totals about \$300 million; a substantial increase once the Free Trade Agreement between Mexico, the United States, and Canada is implemented.

During the event the plenary session of the Mexico-Spain business committee was closed. [passage omitted]

PRI, PRT Sympathizers Clash in Oaxaca State*PA2307042993 Paris AFP in Spanish 0317 GMT 22 Jul 93*

[Text] Mexico City, 21 Jul (AFP)—A clash between sympathizers of the ruling Institutional Revolutionary Party [PRI] and the Trotskyist Revolutionary Workers Party [PRT] in the State of Oaxaca left two dead and 10 seriously injured on 21 July, Radio Red has reported.

The source added the clash occurred in Tuxtepec when PRI members tried to reclaim the municipal building that was being held by PRT members. Radio Red added clubs, rocks, and pistols were used during the clash.

A spokesman for the government of Oaxaca, 370 km southeast of Mexico City, said he knew nothing about the violent incident.

Ensenada Authorities Report Illegal Aliens' Ship Off Baja*PA2207220793 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 21 Jul 93*

[From the "Muchas Noticias" newscast; live relay by Mexico City XHTV Television Network]

[Text] On 20 July, naval authorities in Ensenada confirmed the presence of another ship carrying illegal Orientals. It is now sailing off the coasts of Baja California. Elizabeth Vargas, our correspondent in Ensenada, reports that the ship is sailing in international waters near Cedros Island.

Radar Shows Ships Carrying Illegal Aliens Leaving Area*PA2407195393 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 24 Jul 93*

[From the "Muchas Noticias" newscast; live relay by Mexico City XHTV Television Network]

[Text] The ships spotted by coast guard units on 16 July off Baja California are moving away. They are believed to carry approximately 380 illegal Orientals.

According to radar images from Natividad Island, 15 miles south of (Pedro Island) and 50 miles off the Guerrero Negro coast, three vessels are sailing into the Pacific Ocean with a radar estimated position between 62 and 72 nautical miles and on a 218.5 degree route. The vessels are out of radio contact and are at the outer edge of the Natividad Island radar's range.

Area residents say the ships were spotted by local fishermen between 17 and 19 July. As of then they were out of sight, no further reports came in on them, and no attempts were made to locate them by radar.

An air search shows that the three vessels, a large one and two smaller ones, are already more than 40 miles beyond the passenger cruise vessel route, which is 40 miles off the coast.

Mexican Coast Guard vessels were seen only near Natividad Island, where a Mexican Navy frigate was anchored.

Nicaragua

Chamorro Addresses Nation on Esteli Events

PA2407045593 Managua Sistema Nacional de
Television Network in Spanish 0300 GMT 24 Jul 93

[Speech by Nicaraguan President Violeta Chamorro on events in Esteli, in Managua on 24 July—live or recorded]

[Text] Dear Nicaraguans, at the conclusion of the events in Esteli, I want to address all Nicaraguans, particularly the Esteli residents and those who live in our nation's northern area. I want to express my sentiment of regret and pain for the loss of human lives, the wounded, and the damage that Mr. Pedro Hondureno and his followers perpetrated on the noble and heroic city of Esteli.

When great efforts are being made to lift the nation's economy, to take advantage of a good winter season, to save the agriculture cycle, the last thing the producer, the merchant, the transportation worker, and the worker wants is for the bad sons of the nation to devote their time to rustling cattle, attack buses and trucks, murder peasant families, or assault banks and cities, as was done by this group of irresponsible individuals.

The people want peace and tranquility. The people want to work honestly even if it is with their bare hands, and no one can prevent them from doing so. This is why I want to congratulate our police force and our Army for the mission they accomplished well yesterday. This mission was to guarantee the security of all Nicaraguans, and in particular of the humble and the poor. The residents of poor neighborhoods are the first victims of all criminal action and all armed attacks by the rearmed because they live in wooden and plastic homes.

I want to acknowledge the efforts of the Esteli bishop, of the Nicaraguan Red Cross, of the doctors and nurses, and of all the citizens who contributed their efforts to tend the wounded, and in helping to restore calm in Esteli.

I want to congratulate the whole police force; each and every one of its members, those of the Esteli Department, its directorate, and the general director, for their patriotic work carried out under difficult conditions. Because, a police force's task is not to confront a heavily armed group. I also want to congratulate in a very special manner the whole Army, each officer and soldier, the 1st Military Region, the general staff, its commander in chief, for having responded quickly to support the police and for giving a clear lesson: groups cannot continue to play with the people's tranquility. Their action has been brave, professional, patriotic, and respectful of human rights. Approximately 150 irresponsible individuals who entered Esteli on 21 July were rejected by the community and by the public forces.

My government has been conscious of the people's mandate I received in the November 1990 elections for

attaining peace and working for national reconciliation to heal the wounds of war and confrontation. For that reason, in the beginning I adopted a policy of tolerance, understanding, and broad-mindedness toward many Nicaraguans who were accustomed to using force and violence to resolve their problems. That decision made us receive much criticism, but the results have been positive. Reconciliation has advanced among Nicaraguans who were divided in the past. Some people, however, have interpreted my government's tolerant, understanding, and broad-minded attitude as an open door to violate the fundamental laws of life and the nation. We have witnessed with dismay during the past three years that many groups have organized riots, blocked roads, occupied public buildings, demanded suspension of economic aid, abetted crimes, or rearmed themselves. They did so to pressure [the government] into accepting all kinds of demands or to assault, rob, or extort, and now to steal money from banks and endanger the lives of poor people in Esteli.

Since May, we announced that it was necessary to put an end to this situation. People, producers, and travelers were demanding order and security in rural areas, roads, and cities. It is obvious that in order to create more jobs and improve basic services we must increase national production, and that for this we must guarantee total security in the country and the law must prevail.

For that reason, we offered an amnesty for the rearmed groups, for crimes committed up to 12 July, the date of the announcement. We proposed that effective 31 July, all rearmed groups should be concentrated in the enclaves, and in that manner we should be able guarantee citizens' security throughout the national territory. Effective 31 August, there should be no weapons in civilian hands in our country.

Many people did not believe this could happen, and even incited the rearmed to remain up in arms. Esteli has given all of us a lesson on the danger of not resolving once and for all this phenomenon of the rearmed groups and of the danger of leading those groups in the wrong direction. Esteli has also been a lesson for all those who like Pedro El Hondureno and his followers still believe that after the 12 July deadline established by the amnesty law they can continue holding up banks, abusing the people, and violating our laws.

Yesterday marked the end of the confusion between tolerance and incapacity. My government will continue promoting reconciliation among Nicaraguans, but at the same time will make sure that order and law prevails throughout the country. We have the ability to do so, and no one should ever doubt it again.

Our main mission now is to work and produce. Only in this way will we progress. No one, absolutely no one, should frustrate the people's desire to improve their living conditions through honest work. Thank you.

Criticizes Rebels, D. Ortega

PA2307153493 Managua Radio Nicaragua Network in Spanish 1100 GMT 23 Jul 93

[Text] President Violeta Chamorro spoke to the media on 22 July and strongly criticized the events in Esteli and the message that Daniel Ortega, secretary general of the Sandinist National Liberation Front (FSLN), read at the Plaza de la Republica on 19 July. Ortega should be criticized for inciting the poor and lowly people to use force, she said. Chamorro said Ortega abuses the democracy in which he is living. Has he forgotten all he handed down to the Nicaraguan people and that the economic crisis we are experiencing is the result of what we received, she asked.

[Begin recording] [Chamorro] The situation in Esteli is worrisome because this man [Victor Manuel Gallego Hernandez, alias Pedro El Hondureno] has not laid down his weapons. It is more cause for concern because I have often spoke of reconciliation and the need to lay down all weapons. He is reprehensible for robbing banks and looting. He refused to accept amnesty, so we have no choice other than to repress him. Because of him, two people are dead and several others are wounded. He and his followers must be pursued, found, and punished.

[Unidentified reporter] Have the Armed Forces and the police received specific instructions [words indistinct]? The civilian population is suffering because Pedro El Hondureno has not laid down his arms.

[Chamorro] Pedro El Hondureno must surrender his weapons and lead a normal life, not the one he is leading. That is why the people of Esteli are suffering. [Words indistinct] killing each other. That is not what I want [words indistinct].

[Reporter] Dr. Dima Nunez has proposed that the government create a commission of (?delegates) from the evangelical church, the Catholic Church, and other people to mediate this conflict in Esteli so it can be resolved. Will you accept the proposal?

[Chamorro] The letter I received said nothing about Mrs. Nunez. Nevertheless, the situation does not require mediation. As I have said a number of times, the man must surrender his arms. Let us work for national reconstruction. For three years we have been coexisting in peace and freedom. I do not want murders or the people to rebel, rob, and loot. I want all Nicaraguans to live in democracy.

[Reporter] [Question indistinct]

[Chamorro] It is reproachable for Ortega to rouse the poor and lowly people and incite them to use violence. Everything eventually comes to light. There is a saying that where there is smoke there is fire. [Words indistinct] I do not agree with Ortega's speech at the Plaza de la Republica because this is a democratic country and he is abusing democracy. He has already forgotten the things he left us. Does he think we have already forgotten all

that we lived through, including (?slavery) and the current economic crisis? The situation is better now. In the past there were no reporters with such a bank of tape recorders. Have we forgotten the rationing and the pressure we were under? In the past it was necessary to help shoemakers sell their goods because production had to be controlled by the state. [end recording]

Gen H. Ortega Gives News Conference

PA2307041693 Managua Radio Nicaragua Network in Spanish 1626 GMT 22 Jul 93

[News conference by General Humberto Ortega Saavedra, commander in chief of the Sandinist People's Army, with domestic and foreign reporters; place not given--live]

[Text] [Reporter] Good morning. General Ortega, you blamed members of the government for inciting vandalism. Will you also ask that measures be taken against your brother Daniel Ortega, who stated that the government will collapse if it does not change its economic measures? There is also information that the western area will be taken over. How long do you believe it will take to dislodge the recompas? Did the Air Force have orders on 21 July to shoot rockets, which would place the civilian population at risk? I had the opportunity to talk to some of the recompas in the hospital and they said the government and the Army had not solved the economic problems the military has encountered since the last decade. They also said that previously these members of the military were guerrillas and today they are bourgeois. They added that no one has solved their problems. Lastly, is it true that Noel Rivas, the Nicaraguan ambassador to Honduras, has been kidnapped by this gang?

[Ortega] In the future, I want only one question at a time. It is the country's authority and the proper judicial branch authorities who must determine what is a crime and what is not. If the leader of any political party here violates the law, he will have to be punished according to law. I do not know if the speech delivered by the Sandinist National Liberation Front (FSLN) secretary general constitutes an attempt against the law. It is a matter that must be dealt with by the appropriate authorities. It is important to point out that our decision is based on the fact that in the future we cannot trust anyone [25-second break in reception] revolutionary. They sold weapons to leftist guerrillas. We arrested them and sent them to jail. We will apply the law to anyone who makes an attempt against order and peace. We want to have all the support from the majority of the Nicaraguan people. I was referring to that.

There were rumors about attacks here and there, but actually the operations have, up until now, only been limited to Esteli. In the rest of the country the only activity is that of the recontras and recompas. There has been no major developments in western Nicaragua. Our troops, including artillery and armored units and Air

Force, have acted according to our orders. If the helicopters fired, they did so on our orders. Logically these orders are given in the framework of the military plan and were never, as in Somoza's time, fired indiscriminately to frighten the civilian population.

We have learned that the Nicaraguan ambassador was apparently reported missing, but we do not have any additional information. [five-second break in reception]

[Reporter] I had several questions, but as time is short I will limit it to one. We know that representatives of nongovernmental organizations [9-second break in reception] since 21 July as mediators in the Esteli situation. What information do you have about that? Among them are Reina Nunez, Reverend Miguel Angel Castro, and [name indistinct]. We would like to know if they have established any kind of coordination with you and if it will be possible for them to mediate in the situation?

[Ortega] In the first place, we believe they should decide if there is to be a mediation plan. They are the ones who mistakenly took this irresponsible step. It is in their hands to decide whether to prolong this problem or cut it short. We are not under any time pressure. We will continue to surround them, and of course, this will take a long time because we are being careful not to harm the civilian population. It is they, however, who are being cornered by time. As time goes by, their isolation will become more evident, as well as the delays this problem is causing the people. We are not facing a war situation, as in the past, when a political negotiation was required. In any event, we will take into account the will of those citizens who have offered to serve as mediators for groups, such as the one who has expressed its wish to change its attitude and surrender. By no means will we accept the creation of a commission, such as that indicated or mistakenly reported by the media, to carry out political negotiation of any kind; or as Virgilio Godoy and a few deputies wanted to impose when they visited El Chacal's group. They wanted to become political intermediaries to demand unacceptable things from the government. We are not ready to negotiate with the contras or the recompas.

[Elsa Maturana] Gen. Ortega, this is Elsa Maturana from BARRICADA. I would just like to know if you could give us the details of troop deployment and equipment used in this operation?

[Ortega] We will give you that information when the operation is over and when it is history. We cannot give any details right now, as that would be giving these individuals the information.

[Reporter] Gen. Ortega, this is [name indistinct] from Radio Nicaragua. In the second part of your briefing you addressed strictly political issues and pointed at Vice President Virgilio Godoy and Deputy Humberto Castilla as instigators of the violence. Allow me to expand on the question asked by my colleague from Channel 8. Will you demand the same treatment for the Sandinist leaders who have openly asked

the people to destabilize the Nicaraguan Government? If talking to the rebel followers of El Chacal or the National Salvation Democratic Front is destabilizing the government, then one would expect the same for [words indistinct] who said he is ready to undermine the institutionality of the government.

[Words indistinct] we are going to apply the law very firmly and are also calling on all sectors to be firmer and control the people—on both sides—who are acting against peace and urging violence. I have not heard that Sandinist leaders are promoting those groups. Up to now, we have no evidence that the Sandinists are supporting them. The Sandinist Front communique condemns the event. If, however, Sandinist followers or active Sandinist members are consciously or [word indistinct], but incorrectly, giving the slightest support to this type of recompa organization, we will use the adequate mechanism to implement the law and [words indistinct].

[Reporter] Thank you, General. I would like to know if you can give us an idea on the amount of damage in Esteli and, if possible, an estimate of the economic damages. I would also like to know if Red Cross personnel have entered the city to help the injured?

[Ortega] Right. It is still too soon to give a report on the amount of damage. All actions of this nature cause a great amount of damage, especially to our fragile Nicaraguan infrastructure. Any damage, small as it might be, is very serious in Nicaragua because we are experiencing a large economic crisis. [words indistinct] all the damage done to the [word indistinct] installations with the exchange of gunfire. To change a window in a bank [words indistinct] or get a new Betamax in Nicaragua is a major problem. In another place, perhaps, such losses would be inconsequential, but here everything is very valuable because of our bad economic situation. I still do not know the amount of damage. We will surely establish the damage when we enter the city.

Regarding the Red Cross, its personnel has been [word indistinct] helping and on the morning of 22 July, the Red Cross requested transportation to carry out its humanitarian work. [Words indistinct] to lend vehicles to the Red Cross so that its personnel could take the injured people to Managua. We authorized the request and the Army has also offered its support.

[Reporter] When did the Red Cross arrive?

[Ortega] The Red Cross arrived on 21 July. However, its actions have been carried out more consistently on 22 July.

[Reporter] [Words indistinct] the number of rearmed personnel in the area and also, you have not been very precise in stating when order will be reestablished in Esteli. Could you be more specific?

[Ortega] Well, Nicaraguans have been asking that same question since we started fighting against Somoza. When will we reestablish order completely in Nicaragua? We

tried to do so during the revolutionary government but we had to counter the war against the counterrevolutionaries and the actions from abroad. In the past three years of the new government, we have tried to establish complete order in Nicaragua but have been unable to do so completely.

In regard to reestablishing order in Esteli, it all depends on the advancement of our troops. They are going slow because we want them to act with great caution and avoid hurting the civilian population as much as possible. I believe the situation will be in order shortly. Already on the morning of 22 July, as I have already stated, the irregular forces have been reduced to yet smaller numbers. It is a matter of waiting a prudent amount of time.

[Reporter] [Question indistinct]

[Ortega] The [word indistinct] we are managing is that a bit more than a 100 men participated with the forces of Pedrito El Hondureno [Victor Manuel Gallego Hernandez].

[Reporter] [Words indistinct] approximately 40 trucks, tanks, and that kind of equipment, will you be sending more?

[Ortega] It will depend on what the plan will require.

[Reporter] Could you give us more details on the number of irregular forces that attacked the city? We understand that on the night of 21 July the Army sent heavy equipment, such as the famous (?kashiuka) we saw some years ago. Why is the Army sending that kind of equipment to Esteli? Does this mean that the situation there is serious? We would like to know how many men the Army estimates are in the irregular forces?

[Ortega] We believe any armed action here in Nicaragua, regardless of how small it may seem, should be considered serious. Even a group of five or 10 men causing problems in a peasant municipality should be taken seriously. We cannot become accustomed to such actions. We must end that problem. It was an absurd action for more than 100 men to attack a city like Esteli and challenge the authorities in an adventurous way. Therefore, we must reply with everything we have. We must have the weapons ready for action. Although we have not used all our equipment to avoid causing any harm to the population, if they continue challenging the authorities and do not lay down their weapons, we will have to use our weapons as much as we can.

[Reporter] [Words indistinct] invite the government to adopt measures within the framework of the Constitution. What measures do you recommend the government should take in view of the current situation, and how will the Army identify the real leaders heading this insurgent movement?

[Ortega] Well, the real leaders are already identified. We have intelligence sources and we know the identity of the leaders of those armed groups. The Special Disarmament Brigades, BED, have a list. The problem is that the

people following Pedro El Hondureno took advantage of the talks they were holding with the BED to accept the amnesty offer. This facilitated their mobilization to Esteli. This man was very irresponsible.

As for the measures to be adopted against those who are encouraging destabilization and revenge from any position—government or not—is something that must be decided by the Nicaraguan authorities, by the government, or judicial authorities. It is not my prerogative, or that of the police. We simply enforce the law. The ones who determine who is committing a crime are others.

[Eduardo Henriquez of LA TRIBUNA] [Words indistinct] that supposedly was declared a success, is offering an amnesty to those armed groups. We notice, however, that military actions are increasing, instead of diminishing. A couple of days ago, cattlemen in Esteli said the situation in that city was one of anarchy and chaos, that the situation of the rearmed groups was out of control of the Army and police, who did not have the capacity to control them, and that the only ones who could control the situation were the UN Blue Berets. I would like to know if you feel that these actions in Esteli show that the rearmed groups are beyond the Army's control?

[Ortega] Nicaragua's problems have been diminishing. In 1990 there were tens of thousands of contras who had not disarmed, who had not complied with the Esquipulas plan. From 1990 to now, not only did 90 percent of the contras disarm, but over 40,000 rifles and other types of arms, tens of thousands of them, were recovered from civilians. What we have right now is a group of about 1,400 rearmed men spread across the country. It is undoubtedly less harmful than the regressive situation we had in 1987 or in 1988, when more than 100,000 Nicaraguans were armed due to the war and the prevailing situation. Now we have just over 1,000 recontras and recompas, which is far less than the 20,000 contras that remained following the 25 February elections. We have definitely progressed; not everything is bad. The current clashes are not part of a general offensive or a general insurrection in Nicaragua. As I see it, this clash led by Pedro El Hondureno in Esteli is suicidal.

We believe that the amnesty, as we have explained many times, will end a period of too much tolerance, but we should not regret that. We should not regret that this government has been more tolerant than intolerant. We should not regret that this government has been accused of being too soft. In other places order has been restored only after stadiums were filled with prisoners and only after killing a constitutional president, such as Salvador Allende. We do not want that type of order in Nicaragua. Here we have had plenty of tolerance; here the democratic framework that has been this government's generosity has been abused.

Social and economic deterioration are two other reasons why bandits have reactivated over the past few months. Many of the groups are made up of thieves or rearmed groups of recontras and recompas such as this one.

We have comrades who have called radio stations to say that Pedro El Hondureno was their leader in the Army and that he was a great fighter and a man of principle. That is true. When this man was in the Army he was basically a well-behaved soldier. He went astray, turned bad, and has used his followers for criminal activities that have nothing to do with patriotic and revolutionary ideals.

The amnesty we have proposed is intended to keep us from losing the democratic spirit of generosity and tolerance that this government has created. I believe that we Nicaraguans must leave a legacy for future administrations in 1996 and afterward. In this amnesty we are going to establish order with greater seriousness to ensure that freedom. No longer should we confuse liberty with being liberated, tolerance with being too soft. It is definitely better to be accused of being too soft than of being a murderer.

[Reporter] It was reported earlier that Santo Tomas had been occupied. What is the situation in that area? We have been told that two U.S. military advisers are visiting Nicaragua. Is this true? What is the purpose of their visit? What is the situation in Esteli?

[Ortega] I will quickly answer part of the question about the UN delegates' visit to Nicaragua. The Nicaraguan people do not require any foreign forces to resolve their problems. Quite the opposite is true. Although considerable progress toward peace has been achieved in Central America, we in Nicaragua are still moving slowly ahead because of difficulties. Peace has been achieved in El Salvador and Guatemala. The existence of a U.S. military base in Palmerola, whose commander was changed recently, is wrong. [Sentence indistinct]. We do not need foreign military forces in the region now that the situation is different and now that regional armies are being forced to down size. It is inconsistent for the U.S. Government to pressure us to reduce our armies while their armed forces remain in Central America.

Some UN officials have arrived here. They came to Nicaragua to explain EPS participation in the so-called standby forces, which are not similar to foreign armed forces stationed in Nicaragua. These officials will show us how the EPS can participate in various UN missions around the world. In the infamous Santa Rosa arms cache, a number of surface-to-air rockets had had their identification numbers erased and we do not have the technical means to determine them. We have always declared we have nothing to do with such weapons. We asked the U.S. officials to try to identify the rockets.

[Meneses] Justo Rufino Meneses of Radio Mundial. It seems the Peasant-Worker Revolutionary Front [FROC] is defeating the Army. What types of weapons are the rebels using and what types of arms are the Army using to oust them?

[Ortega] [Words indistinct] if they had been recontras, the Army would have given them 10 hours to leave the city and they would have complied. The media every day

contributes to peace. [Sentence indistinct] The number of casualties we have inflicted on those people shows the Army's determination to fight whomever it has to fight.

I do not know what.... [pauses] [Word indistinct] could have seen them all dead, right? I believe it caused 53 casualties, in addition to approximately 13 wounded. That would add up to nearly 66 casualties from a combined force estimated at more than 100 units. We are now talking about more than 40 percent casualties inflicted on those people. We believe we were quite efficient. The 21 deaths are evidence of this.

[CNN Telemundo Correspondent Maria Alicia Salazar] This is a complicated situation that cannot be explained or solved in 30 seconds. [Words indistinct] including the FSLN fear that sooner or later there will be a serious social outbreak as result of the pressing deprivation in rural areas. We have made contact with some of these rebel leaders. They claim they are EPS [Sandinist People's Army] members and are only demanding what they had been promised.

[Ortega] Former EPS members?

[Salazar] Former EPS members, and they are only demanding what they were promised. You know very well that the government, according to church figures, has kept up with less than 40 percent of what it promised more than two years ago. Is there no concern that this social outbreak will begin to multiply and the situation will become more difficult? Without any doubt, to call for peace with deprivation is, as they say, somewhat difficult. Would it not be more practical to find a solution, honor more of the promises made, like the case in El Salvador, where nearly 90 percent of the agreements have been honored?

[Ortega] Well, I believe it could. The truth is there is much to be said about unkept promises. I am aware that the Government Ministry has a list that shows that a significant part of the agreements has been honored and that it has been impossible to meet the rest of them. If they are right and promises have not been kept, then they have the right to resort to every available and rational means to see that these promises are kept. We know that some people have not helped much in keeping these promises. Some government officials, some burdensome government mechanisms, have created a trying situation that has not encouraged the fulfillment of these promises. We need more communication and discussion of these issues, to clarify why these promises cannot be kept, and to offer alternatives or a new agreement. But taking up arms because the government has not kept its promises is not justified. Many criticize the government for not keeping promises. Nearly 60 percent of the population is being pointed out as unemployed or underemployed....

[Salazar, interrupting] [Words indistinct] just like in El Salvador where....

[Ortega, interrupting] [Words indistinct]

[Salazar] they have given this issue priority status. Do you not believe that....

[Ortega, interrupting] I believe that, yes, of course.

[Salazar] The task is not easy, even....

[Ortega, interrupting] Of course.

[Salazar] ...that you could arrive at solutions despite the government? You have repeatedly told the media that this will be solved. Now you are seeing that there is no solution. You are also seeing the consequences of the inability to solve this issue.

[Ortega, interrupting] [Words indistinct]

[Salazar] To you this is a headache.

[Ortega] I agree that promises have not been kept and they must be honored. With respect to that.... [pauses] Moreover, I would like to say that our policy against the *recompas*, which you would describe as drastic and harsh, in no way means that we are amending the government's failure to keep its word.

In response to your question regarding a possible lack of initiative on our part as a result of the bureaucracy, a lack of awareness regarding this phenomenon, revanchism toward former EPS members, or simply snobbishness toward humble members of the resistance, our efforts to establish order do not at all mean that we are blessing this government's defects. We would never do that.

With regard to the promises we have failed to keep with the resistance and retired soldiers, we are going to work in an orderly manner, also with active duty soldiers, to permanently ensure, through various organizations, that we keep those agreements and make sure the government does its part. Right now these groups are quite divided. Their leaders are divided. But the Army has executed those programs, which are more or less basic. With regard to those unkept promises, we will continue demanding that the government as an institution fulfill them. Otherwise the situation will become increasingly difficult.

We will do the same regarding the government's failure to fulfill its agreements with the resistance. We are going to make sure that these agreements are fulfilled. I agree with you on that. But you must understand the following, which is very important: In Nicaragua no one, I believe, is capable of resolving all of the existing problems involving poverty. That is impossible. What we must do is guarantee basic stability and order. Anarchy and chaos must not reign because they prompt armed groups to take action. We must try to reactivate the economy, we must promote more foreign investment in Nicaragua and generate wealth in this country. Once we generate wealth we will do away with poverty, but we cannot generate wealth and production with situations that foster permanent insecurity among farmers, merchants, and citizens. We must do away with poverty by generating wealth.

Until we generate this wealth we will not have enough jobs for everyone. To say so would be to lie. The political party or leader who says that when he takes office there will be jobs for everyone, when there is almost 60 percent unemployment in this country, is being demagogic; he is lying. There is going to be a difficult transition period while this economy is (?restored) to once and for all resolve the unemployment problem. What are the government and businessmen doing? What is everyone doing for those who have been impoverished the most by these necessary structural adjustments? What are we doing for those who are the hardest hit by these necessary adjustments, those who are currently unemployed and who are suffering bodily because of the dramatic but unavoidable application of these measures to eradicate poverty? That is the question. While we overcome the crisis and increase production, most of the people in Nicaragua are desperate.

We cannot wait for wealth to be generated allegedly to then see what we can do for the most forsaken social sectors. This is the big issue in this country. The government must improve its policies day by day so they will have an impact on the poorest segment of the population, which has been hit the hardest by the crisis, and which is taken advantage of by the leaders of rearmored groups who make the poor join their ranks. I believe that certain agreements have not been met and they must be met.

The property issue must be resolved once and for all because it is creating an enormous amount of insecurity. There are many complaints to the effect that deeds and land titles have not been distributed. The people who have joined the ranks of the rearmored complain that they receive no credits, and that is true. This is a national problem. Credit is being given only to one sector. It is a problem that must be pointed out through civic means. But it is not possible for anyone to receive more credit from the government immediately. Where will the money come from? In any case, what we should do is improve the distribution of the meager resources this country receives through cooperation and we must generate wealth.

[Reporter] General, [words indistinct] the armed groups that have remained so far outside the security zones. When will services be restored in Esteli?

[Ortega] We are facing a very unique situation. Let us keep in mind the BED, the BED chief, made an all-out effort to force Pedro El Hondureno and his men to participate in the peace process through the amnesty that had been announced. This prompted the Army to lower its guard a little regarding some signals we had received about possible attacks on Esteli. We deployed a special force, a company really, to strengthen Esteli, and that prevented these people from carrying out their whole plan, which included taking control of Army units. They failed. We had intelligence reports, but at that time the BED was involved in talks to finalize the details of their

going into the security zones. This man, Pedro El Hondureno, took advantage of that and did not keep his part of the agreement. He really took advantage of this very unique situation.

I would also like to point out that no intelligence work in the world that can gather all information. That is impossible. In the United States, many things happen, and the CIA and FBI cannot predict everything. That is basically impossible. Now, as for the matter of the support of the people [words indistinct] do not have a large amount of popular support. They have no doubt received some support from the people as a result of the harsh economic situation these peasants are experiencing. These peasants have been manipulated and they joined these gangs. These gangs, however, have not received the support of the Esteli people, who did not join them. It did not happen like it did in the rebellion against Somoza, which the people joined.

The fact they resisted these gangs is to be expected because the Army went in very slowly, considering the city has such a large population. That does not mean there is popular support for these gangs. When you have individuals engaging in an armed action, it is difficult to remove them in a very short period of time. In that incident in the United States when that madman was holed up in Waco, I believe he was there a long, long time. This does not mean he had the support of all the U.S. people. These people lack the support necessary for a large-scale action. They lack the support of the Nicaraguan people.

[Reporter] [Question indistinct]

[Ortega] Pardon me?

[Reporter] [Question indistinct]

[Ortega] That is right. No negotiations are taking place now. We are saying that it is fine for some citizens to offer to serve as go between to ensure that these people surrender their weapons and surrender to the authorities either to be tried or, for those who do not hold major responsibility, to join the peace process we are familiar with, namely amnesty. That, however, is not negotiating.

[Reporter] [Question indistinct]

[Ortega] We will deal with this as the situation develops.

[Reporter] [Question indistinct]

[Ortega] We do have them here.

[Moderator] This has been Gen. Humberto Ortega Saavedra's news conference. He reaffirmed the armed forces intention to definitely oust what has up to now been called the FROC. I repeat, Gen. Ortega once has said that clashes continue in the City of Esteli.

[Ortega] We will use whatever force is necessary. We are obliged to end this as quickly as possible, taking care of not to harm the population. We will use enough force to

offer the best advantage and ensure the safety of the Army and the civilian population.

[Reporter] [Words indistinct] on one occasion the government even sent a delegation to sit down and talk. Now the rebels are presenting a plan, a plan or schedule of their demands. They are making demands of the Army and the police but are providing no solution for the people of Esteli. Several civilians have already died there.

[Ortega] The incident in Costa Rica was the incident in Costa Rica. This is something else. I can tell you that if Jose Urbina Lara had come to Nicaragua to make demands, we would have given him what he deserves [words indistinct]. [laughs]

Cardinal Obando y Bravo Advocates UN Troops

PA2407191693 Managua Radio Corporacion in Spanish
1030 GMT 23 Jul 93

[Text] Cardinal Miguel Obando y Bravo, archbishop of Managua, said on 23 July that to restore order and end the total anarchy that exists in Nicaragua, President Violeta Chamorro must request the solidarity of the United Nations and the blue berets. During an interview with Vatican Radio, Obando y Bravo said this was the Nicaraguan bishops' position in response to the difficult situation in this Central American country.

In Obando y Bravo's opinion, the most important issue at this time is to get the government to consent to the presence of blue berets, because that force is capable of reestablishing a state of law in Nicaragua. Obando y Bravo said Nicaragua's situation is very difficult. Mrs. Chamorro has given it her all but it is impossible to govern. Continuous, uninterrupted strikes have been staged, encouraged everywhere by the Sandinists.

Obando y Bravo also said armed groups in northern Nicaragua block traffic and disrupt citizens' everyday lives. These groups are formed by members of the defunct Nicaraguan Resistance who believe that promises have not been kept and that there is virtually no rule of law.

Coffee, rice, cotton growers, ranchers, and farmers from all over the country met on 22 July at the Federation of Nicaraguan Cattlemen's Associations to analyze the national situation. Their biggest concern was the lack of human rights guarantees. Assaults, kidnappings, attacks, robberies, etc. are daily occurrences on streets, highways, and roads in northern Nicaragua. The 22 July meeting was chaired by the Higher Council of Private Enterprise Board of Directors. Among the main suggestions that this group will propose to the government is that UN troops be brought to Nicaragua to help protect lives and property.

Rebel Leader Flees With Stolen Money

PA2307181293 Managua Radio Corporacion in Spanish 1030 GMT 23 Jul 93

[Text] Pedro El Hondureno escaped with approximately 26 million cordobas while the rear guard defended him from the Sandinist People's Army. The assailants stole 10 bags of money from branches of the National Development Bank and Banco Popular. Several stores were also looted.

The rearmen who covered Pedro's retreat and those who accompanied him said they are resentful of the government and Mrs. Chamorro. She did not keep her promises; promises have never been kept, said one of the interviewed rebels. Another said that they turned in their weapons but will defend themselves until death rather than continuing living in the current conditions.

Rebels Refuse To Give Up Weapons

PA2407200393 Paris AFP in Spanish 1916 GMT 24 Jul 93

[Text] Managua, 24 Jul (AFP)—The Peasant-Worker Revolutionary Front, FROC, formed by former Sandinist soldiers who occupied Esteli on 21 July, announced on 24 July that its members will not lay down their weapons. The FROC also accused the Army of "genocide" during the clashes in Esteli.

In a communique released in Esteli, the FROC announced that "we will continue to fight" until the government implements the agreements it made with the former soldiers. The communique did not specify which agreements.

The rebels blamed the Army for the deaths of an unknown number of civilians during the 24 hours of clashes on 21 and 22 July.

The FROC explained that the money stolen from a bank during the raid, which is unofficially reported to be \$4 million, will be used to finance the cause.

The FROC is made up of former Sandinist soldiers. The organization emerged six months ago and operates in northern Nicaragua. Also active in that area is a group of former contras who are armed and demand land, loans, and work from Violeta Chamorro's government.

According to official estimates, the two groups of rearmen number approximately 4,000. The government has given them until 31 August to join civilian life and receive the benefits of the amnesty law, which has yet to be approved by the National Assembly.

On 24 July the Government Ministry announced that while the amnesty law is being approved it will head over the 59 rebels who surrendered to the Army in Esteli to the Special Disarmament Brigade (BED).

The government reiterated its commitment to pardon those who surrendered during the incident. Those captured, however, will not be pardoned.

Rebel chief Victor Manuel Gallegos, alias "Pedrito El Hondureno," managed to escape with some of his followers and the loot they stole from a local bank.

On 20 July the Government Ministry asked the Attorney General's Office to begin proceedings against Gallegos.

Vow To 'Remain Up in Arms'

PA2507215393 Mexico City NOTIMEX in Spanish 2016 GMT 25 Jul 93

[Text] Esteli, Nicaragua, 25 Jul (NOTIMEX)—Victor Manuel Gallegos, a former Sandinist People's Army [EPS] major and now commander of former EPS fighters grouped in the Peasant-Worker Revolutionary Front [FROC], announced today that he will remain up in arms. Gallegos, alias Pedrito El Hondureno, announced from a hideout in the mountains of northern Nicaragua that he will remain up in arms for as long as there is social injustice and the government remains indifferent to the problems of the poor.

Gallegos' message was made known in this city, the site of a clash between EPS forces and the irregular FROC troops that seized the city on 21 July. The EPS troops recovered the city 24 hours later, following heavy clashes which resulted in 45 persons dead, 98 wounded, and 59 rebels captured.

The so-called FROC, which was created six months ago, robbed the city's banks and Pedrito El Hondureno and 60 of his men were able to escape with a large sum of money.

Former fighters known as recompas are demanding the creation of jobs, the participation of workers in the privatization of state enterprises, and legal property titles for houses, land, and lots distributed by the past regime. One of the biggest problems the government of President Violeta Chamorro has faced is its inability to satisfy the demands that the former fighters have been making following the restructuring of the Army which resulted in the demobilization of thousands of EPS soldiers who have been neglected.

In addition there are the contras, members of irregular forces that fought the Sandinist regime in the 1980's and who took advantage of an amnesty plan when Chamorro assumed power. The plan has not been thoroughly fulfilled.

The search for Pedrito El Hondureno has been intensified in the area but as been obstructed by the support the former EPS major enjoys in the area. The peasants of Valle de la Tunosa, Esteli, say that they appreciate the EPS soldiers but they also appreciate Pedrito, who is well-known in this area. It was in this area that Pedrito commanded Sandinist forces that were fighting the Somozist dictatorship.

EPS vehicles are patrolling the main roads of Valle de la Tunosa but the EPS forces never harass the local population or search the homes of the peasants who show respect for Pedrito El Hondureño.

Foreign Ministry Confirms Ambassador's Safety

PA2307180093 Managua Sistema Nacional de
Television Network in Spanish 0230 GMT 23 Jul 93

[Text] The Nicaraguan Foreign Ministry issued a press release stating that Army spokesman Lieutenant Colonel Ricardo Wheelock officially confirmed at noon on 22 July that Noel Rivas Gasteazoro, Nicaraguan ambassador to Honduras, is safe and sound and under the protection of the Nicaraguan Army. Now that the obstacles impeding him were overcome, he will continue on his trip to Honduras as soon as possible.

Signed: Directorate of Information and Communication

Issued: Managua, 22 July 1993.

Cattle Producers' Livelihood at Stake

PA2407212493 Managua Radio Corporacion in Spanish
1030 GMT 23 Jul 93

[News conference by Ramiro Gurdian, president of the Higher Council of Private Enterprise, Cosep, with unidentified reporters on 22 July; place not given—recorded]

[Text] [Gurdian] [words indistinct] exactly two weeks ago, on a Wednesday [21 July], the president of the cattle breeders' association in Esteli and the secretary of the Federation of Nicaraguan Cattlemen's Associations came to the Higher Council of Private Enterprise [Cosep] to file a complaint that several farms, including his own, were being occupied by Pedrito El Hondureño and an armed group. They said these individuals were eating their cattle and that the rumor was that they were going to occupy Esteli. I knew about this two weeks ago. I do not believe that Humberto Ortega, with his experience as a soldier and a conspirator, was unaware of what was happening. I refuse to believe what he said.

[Reporter] [question indistinct]

[Gurdian] [words indistinct] I definitely cannot say because there is a tendency to believe that the Army and these forces are in collusion but it is very difficult to assert this when deaths are involved. I dare not say absolutely anything regarding the current situation because it is confusing and I do not want to make mistakes when deaths are involved. We must also keep in mind that very often for Marxist-Leninists the dead do not count. It is a very difficult situation. I hope the Nicaraguan people can remain calm, examine the situation, and find a solution because this is a sign; this was an uprising. I cannot say what it is all about because very little is known but it is very serious. It makes Nicaragua appear to the world as a country at war. These things, and not Cosep as Antonio Lacayo says, scare investors

away. We must consider the situation and find a solution. We must find a solution for Nicaragua.

Remember the abduction last year of Isidro Leon George, a coffee producers in Jinotega, northern Nicaragua; remember the abduction of Mario Castillo during Holy Week this year; remember the (?approximately five) deaths and murders that have taken place; remember the current occupation of farms, including the farm of the president of the Jinotega coffee producers' association. The main concern for all these farm producers is security. Their main concern is their personal security. Abductions and murders are taking place. Remember the murder of Argel Sequeira, which was perpetrated by members of the Sandinist National Liberation Front, which has refused to explain the situation. The government has also refused to do so. Former members of the Army are also involved. There are active duty and former soldiers who have refused to explain what is going on. Therefore, the personal security of producers is in jeopardy and the security of their properties as well. It is getting to the point where people do not want to go to their farms; they cannot go to their farms because they are occupied, or because they risk being abducted or robbed.

Last week a bus in Rivas was attacked; on 20 July, two days ago, a person in a Mercedes Benz was machine-gunned. He was on the way to [words indistinct] or something. This is the situation. It is very difficult. There is chaos and the producers' personal safety is at stake. How can producers produce when their lives are at risk?

UNO Communique Blames Sandinists

PA2307142593 Managua Radio Nicaragua Network in
Spanish 1100 GMT 23 Jul 93

[Text] The National Opposition Unity [UNO] leadership on 22 July strongly criticized the violence and looting perpetrated by rearmend Sandinist groups on the civilian population in Esteli.

A UNO communique held the Sandinist National Liberation Front [FSLN] extremist leaders responsible for the criminal actions in Esteli and added that the Sandinists fan the fires of hatred and call the people to violence.

The UNO political leaders flatly rejected charges made by Humberto Ortega, commander of the Sandinist People's Army [EPS], against Vice President Virgilio Godoy and Deputy Humberto Castilla.

Editorial Claims 'Blow Against Peace'

PA2307142893 Managua BARRICADA in Spanish 22
Jul 93 pp 1, 11

[Editorial: "A Blow Against Peace"]

[Text] The surprise attack by an armed group led by Pedrito El Hondureño [Victor Manuel Gallego Hernandez] in Esteli constitutes a heavy blow to the peace

process, which is of vital interest to all Nicaraguans, without political distinction.

After offering an amnesty aimed at lowering the cost of the disarmament process, this group gained time during its talks with the Special Disarmament Brigade, only to breach its commitments and perpetrate many military offensive operations.

BARRICADA strongly condemns this attack, which left several dead, dozens injured, and endangered the lives of thousands of people. We reject such acts and warn the nation of their terrible consequences for the disarmament process.

In a communique the so-called Peasant-Worker Revolutionary Front (FROC) tried to justify its act by arguing that it was pushed into it by the economic crisis and threats from the enemies of Sandinism.

This was not an act of self defense, however, but an offensive military operation by a group of vandals whose primary target was to attack the home of the Esteli Police chief and then surround and break into the city's banks.

No pretext can justify what happened, no matter how desperate the attackers. There are other political means to claim one's rights and struggle with belligerence. On 19 July at the Plaza de la Revolucion, the Sandinist National Liberation Front, through Secretary General Daniel Ortega, expressed its firm position against the return of war and in favor of civic struggle within the constitutional framework. No one has the right to wrap himself in the revolutionary flag to perpetrate this time of armed action.

We believe that the quickest way out of this crisis is for the rearmed rebels to abandon Esteli and lay down their weapons immediately. The government must reestablish law and order, prevent bloodshed, and not take any reprisals against those civilians who reportedly collaborated with the FROC.

We cannot deny the fact that people support this type of movement because of the extreme conditions of poverty, unemployment, and desperation in which they live. The government can no longer avoid its responsibility in responding to and meeting the peoples' justified economic and social demands as an essential element in the peace process.

As long as the Executive Branch remains unmoved by the peoples' cries and refuses to implement emergency policies that will bring them stability, the roots of violence will never disappear completely.

Politicians React to FSLN Unity Proposal

PA2407000893 Managua EL NUEVO DIARIO in Spanish 21 Jul 93 pp 1, 8

[Text] The Presidency reacted to the call issued by the Sandinist National Liberation Front [FSLN] to all the nation's forces to form a government of national unity. It

stated that the person who has promoted this national unity most is the president, Violeta Barrios de Chamorro, herself.

"On 25 February 1990, the people voted for Violeta's government, a government of national unity," presidential spokesman Danilo Lacayo maintained. In addition, he said, Mrs. Chamorro has been the main promoter of a national reconciliation. Lacayo stated that he does not feel that the FSLN call is that worrisome because there is full freedom of expression in Nicaragua and the country's political parties can voice their opinions.

Meanwhile, UNO [National Opposition Union] Coordinator Roberto Urroz termed "contradictory" the speech given by FSLN General Secretary Daniel Ortega during the commemoration of the 14th anniversary of the Sandinist revolution. It was a speech given to more than 50,000 people at the Plaza of the Revolution in Managua. Urroz noted UNO's rejection of President Chamorro's call to continue the national dialogue saying that they disagree with the participation of a delegate from the National University Council as an observer, but that they accept the presence of Cardinal Miguel Obando y Bravo.

EL NUEVO DIARIO conducted a poll within UNO, the Center Bloc, and the "number two" person at the legislature and found no support for Ortega's initiative, an initiative that was highlighted abroad by all the foreign news agencies that have offices in Managua.

The first to react was Zacarias Hernandez of the Nicaraguan Democratic Movement (MAN). Approached by several reporters, Hernandez said in his usual tone of voice that Ortega stressed that if Violeta "behaved, she will govern until 1996, if not, she will not make it to that date." Hernandez interprets Ortega's remarks as indicating that Mrs. Chamorro's government "must respond to the FSLN desires." To the parliamentarian, "this is practically a public threat to the government. It means that if it does not behave the way the FSLN wants, then the government is doomed to fail."

He repeated the same argument that the former ruling coalition contends, that the Army belongs to the FSLN and emphasized that Daniel made this clear at the plaza when he issued a call to the Army and the police telling them that if they were united in the struggle against Somoza and during the war of aggression, they must remain united in this stage of the struggle to achieve new victories. The deputy said that while the Army commander says that the military structure under his leadership is professional and is subordinate to civilian command, on 19 July Daniel said that "that is not true." Let the reader judge if former President Ortega said this or not.

Francisco Jose Duarte, the "number two man" in the Legislative Branch, who acts independently from the Center Bloc, the Political Opposition Alliance, and the UNO, said that "I believe it is not the time to talk about a government of national unity, because we have a

government representing the unity of the Nicaraguan people." He said the FSLN "is coinciding with the UNO's most recalcitrant sectors who are in the other extreme saying that what we need here is a plebiscite to advance the elections and reduce President Violeta Chamorro's presidential term."

"I disagree with them, because we respect legality; we must respect this government, which has done everything within its powers to find solutions for the problems affecting the Nicaraguan people," Duarte stressed. When asked about the FSLN's drawing power, Duarte said that "logically, the FSLN is a strong party, and individually speaking, it is the strongest party in Nicaragua. We must admit it has drawing power; the fact that it lost the elections does not mean that it lost its political support."

Commenting on former President Ortega's proposal, Center Bloc Coordinator Alejandro Solorzano said his

message was incoherent and contradictory. He added that Ortega was incoherent when he said that the government is worn out. "I wonder why it is worn out. Perhaps it is worn out because it has not been able to resolve the problems it received from Daniel Ortega when he transferred the presidency on 25 April 1990."

Solorzano said calling a government of national unity "means we must overthrow President Chamorro and create a government of unity." He asked: "With whom?" He added that Ortega's proposal is contradictory in the sense that he said the Constitution must be respected. Solorzano said the FSLN should take advantage of the opportunity President Chamorro offered again upon returning from Salvador de Bahia (Brazil) by calling a national dialogue. In that dialogue, the FSLN can clarify its concept of a "government of national unity," of a "worn out government," and respect for the constitutional framework.

Brazil**Differences in G-7, Salvador Summits Viewed**

PY2507000093 Rio de Janeiro O GLOBO in Portuguese
22 Jul 93 p 26

[Article by Carlos Tavares de Oliveira]

[Text] In order to correctly evaluate the current world situation and become familiar with the new ways of humanity, it is interesting to compare, even though briefly, the goals and results of two important summits that were held recently. The G-7, made up of the world's leading economic powers (United States, Germany, Japan, France, United Kingdom, Italy, and Canada), held another meeting in Tokyo two weeks ago. The G-7 functions as a superpower, even more powerful than the United Nations. Afterwards, in a sort of second division, the Third Ibero-American Summit gathering together 21 presidents and chiefs of state was held in Salvador.

As is known, after the dismantling of the Soviet Union and the resulting fall of the Berlin Wall, the so-called G-7, abandoning the United Nations and its various councils, has virtually seized the destiny of the entire planet. The perils of a nuclear war averted, what really counts now is the power of economic wealth, commerce, and finance. Even nuclear powers do not participate in the decisions. Russia and China are among these nuclear powers. Even though they exert influence in the United Nations (where they participate for historical reasons in the Security Council), Russia and China are not members of the very private G-7. Russia and China basically depend on the G-7 for investments, financing, and foreign trade exemptions. In keeping with this, at the increasingly frequent meetings of the powerful group the only things discussed are objective issues linked to finance and trade. It is not hard to note their efforts in the difficult task of reconciling the specific interests of the participating structures—of the United States and Canada (North American Free Trade Agreement—NAFTA); Germany, France, Italy, and the United Kingdom (European Community); and Japan (a permanent member of the All-By-Myself Bloc)—in the distribution of world trade.

Along the usual lines, the 16-point closing declaration of the summit held in the Japanese capital assigns absolute priority to trade issues, and their consequences on the growing unemployment already involving 23 million people in the G-7 countries. The threat contained in a decision "to curb every expression of protectionism" is obviously aimed at the poor developing nations that are desperately trying to defend their markets and protect employment, observing the rules and regulations dictated by the rich nations. Commenting on the results of the summit held in the Japanese capital, newly-appointed GATT director Peter Sutherland stressed: "It represents evidence that commercial affairs are now occupying a priority position on the political agenda of the world's leading nations."

In this regard, the Ibero-American Summit held in the beautiful and joyful capital of Bahia discussed everything, but made only superficial reference to trade matters which are crucial for the participating countries. Among the 73 chapters of the extensive final communique various matters were discussed—most of them irrelevant or of little (or no) interest to the countries represented at the summit, and inadequate for such a high-level meeting. The matters discussed included the Nuclear Nonproliferation Treaty (of exclusive U.S. interest); the issue of extraterritoriality; the Timor case; AIDS prevention; terrorism; drug trafficking; xenophobia; the Social Pioneer project; the indigenous peoples movement; problems of childhood; the services of Serpro [Federal Data Processing Service]; corruption; and finally civil and human rights, which could not fail to appear. Timidly lost, and almost buried among obvious things and generalities, appears in two lines a timely item of general benefit considering "a satisfactory conclusion to the Uruguay round an urgent matter."

In truth, the meeting of the Latin Americans became a busy social gathering with parties, cocktails, the usual political frictions, and even kisses. Unfortunately, no advantage was taken of the presence of the Mexican president and the prime ministers of Spain and Portugal to establish a direct channel for solving the trade disagreements between the South American countries and the prosperous North American (NAFTA) and European (EC) markets. An excellent opportunity was also lost for the developing countries (in reality, Spain and Portugal are also part of the bloc), which after all represent a far-from-negligible market of over \$100 billion, to respond immediately to the arrogant G-7 Declaration in Tokyo.

There were only two lucid speeches within the modern economic concepts of international policy that escaped the general mediocrity. Referring to new possibilities for businessmen and workers, Colombian President Gaviria Trujillo said: "The enthusiasm for development and progress runs into the unshakeable walls of protectionism around the developed countries." And then President Itamar Franco, who in a passage of his speech said, with great sensitivity: "The growing trade liberalization implemented by the majority of our countries is being responded to by a proliferation of protectionist barriers in the important markets of the developed countries, disguised many times as nontariff barriers that are always well drawn up and complex."

Evidence Links Rio Police to Massacre; EC Condemns Killing

PY2507030593 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 24 Jul 93

[Excerpts] The first evidence identifying those responsible for the massacre of children in front of the Candelaria Church has been uncovered. The investigation found bullets from 38 caliber revolvers in the bodies of the victims during an investigation at the Legal Medical Institute.

The Rio de Janeiro Military Police Command decided to acquire for study the weapons of the policemen who had been carrying out their duties in downtown Rio de Janeiro.

[Begin recording] [Unidentified reporter] Nilo Batista, secretary of the Rio de Janeiro Civilian Police, met today with 11 police delegates and the general commander of the Military Police. After the meeting Batista said that there were clues as to the identity of the murderers. The police already know that three men shot the children, and that two others remained in a taxi and in a white Chevette. Two sketches of the murderers have already been made with the help of one of the survivors of the massacre. One of the murderers is black, about 1.8 meters high, from 25 to 30 years of age, and has a tooth missing. The police also have a very important piece of information. According to experts, at least three weapons, three revolvers, were used in the massacre. All the bullets found at the site where the children were killed and in the bodies are the same, 38 caliber. According to a police delegate involved in the investigation, the 38 caliber revolver is the service revolver of the Rio de Janeiro Military Police. [passage omitted] [end recording]

The 12 EC countries today condemned the massacre of street children. In a declaration released in Brussels, Belgium, the EC countries called on Brazilian officials to take the necessary measures to punish those people responsible for the massacre, and to free the children from violence.

Franco 'Horried' by 'Massacre'

PY2407152693 Brasilia Radio Nacional da Amazonia
Network in Portuguese 1000 GMT 24 Jul 93

[Report by Luiz Augusto Mendonca]

[Text] The massacre of street children near Candelaria Church in Rio de Janeiro shocked President Itamar Franco. In an official note Franco said he was horrified.

In a short message with only seven lines, President Franco expressed his full rejection of the murder of children in Rio de Janeiro. The note released by Planalto Palace last night begins with President Franco saying that as a father, citizen, and president of the Republic, he is horrified by what happened in Rio de Janeiro. He concludes his note by stating that the justice minister already has been instructed to follow the Rio de Janeiro police investigation seeking to identify the sordid child murderers and place them at the disposal of the courts.

Franco leaves for Rio de Janeiro later today.

Franco Sanctions Public Employees' Salary Readjustment

PY2407204393 Rio de Janeiro O GLOBO in Portuguese
14 Jul 93 p 10

[Text] Brasilia—President Itamar Franco sanctioned on 13 July the law that establishes the policy for federal government employees' salaries. The new law establishes

that advanced readjustments of 50 percent of the period's inflation rate will be paid every two months. According to the Minimum Wage Salary Readjustment Index, civilian and military government employees will in July receive a salary readjustment of 33.67 percent. In addition to the advanced readjustment to be paid every two months, civilian and military government employees will receive readjustments every four months, with a salary increase index equivalent to 80 percent of the four month period's inflation rate.

The new law ensures that public employees included in the Ratings and Duties Plan (PCC) and teachers will receive an increase in the value of the Executive Activity Bonus [Gratificacao da Atividade Executiva—GAE], which in June 1994 will increase from 80 percent to 160 percent. This increase is already being paid to military and special career employees.

As the increase in the bonuses is granted between the increases of every two months, the nearly 600,000 employees and teachers included in the PCC, who total most of the public employees, will have monthly salary readjustments until the GAE value reaches 160 percent.

This salary policy will be in force until May 1994. Congress' decision to approve monthly increases to the minimum wage, however, may force the government to implement the public employees salary policy before the established date. Although not included in the salary policy drafted by Congress, which is specifically meant for the private sector, public employees who earn minimum wage will have their salaries readjusted every month.

Measures Will Restrict Government-Linked Bank Loan Policies

PY2407213393 Sao Paulo VEJA in Portuguese 7 Jul 93
p 83

[Unattributed article: "The Necessary Money Crunch"]

[Excerpt] The financial market went through some anxious moments last week, and not because of any sudden movements in interest rates. What had the market wondering was the political atmosphere surrounding banks. The National Monetary Council [CMN], during its first meeting under the Itamar Franco administration, decided to tighten the operation of the financial system in an item affecting official banks. The purpose of the measure was to prevent official banks from being used by Brasilia or governors as financial agents for their public spending. Now all that is left is to find out if the measure will be respected without exception.

The CMN is the highest monetary authority in the country, and it can change everything that the finance minister decides. It can, but it is not in the habit of doing so. The CMN usually cooperates with the finance minister, which does not help at all when the government spends more than is necessary. During last week's meeting CMN counselors added their signatures to decisions Minister Fernando Henrique Cardoso had already

announced, and which will help create a more favorable climate for controlling the official chest. No federal or state bank will be able to loan money to the government to which it is linked, or to that government's state companies. The Bank of Brazil, for instance, will not be able to finance Petrobras' [Brazilian Petroleum Corporation] deals, because both institutions belong to the same owner: the federal government. "Federal banks will be forbidden from loaning money to the federal government. The law is tough, but it is the law," Fernando Henrique Cardoso said.

Any federal or state bank manager who violates this regulation could receive up to six years in prison. The same measure has applied to private banks since 1986, and stems from the principle that banks are usually more generous when they evaluate the risks of loans granted to companies owned by bank owners. The CMN decision will change old habits in the relations of official banks with the Treasury. As of now, the Central Bank will no longer be able to grant special recovery loans to financial institutions. This line of credit was invented to help banks in crisis, but so far has only helped official banks such as the Federal Savings Bank, which obtained \$822 million last February. If a political solution is not devised soon, the banks of Piaui, Paraiba, and Rio Grande do Norte, under federal intervention since September 1990, will not be able to open again, because they will not have anywhere to borrow money from. [passage omitted]

Cardoso Says Price Increases 'Criminal,' Notes Franco Veto

PY2407155993 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Jul 93

[Text] Finance Minister Fernando Henrique Cardoso said that increasing prices is criminal because costs have not gone up. During a lecture at the Sao Paulo State Federation of Industries, the minister said businessmen must show they want to help the government by withdrawing their lawsuits filed against the federal government.

Minister Cardoso confirmed that President Itamar Franco will veto the monthly salary readjustment equivalent to 100 percent of the inflation rate. He added, however, that this has not been officially reported because the government is studying alternative solutions to this problem.

Minister Cardoso added that President Franco's veto of the decree exempting workers who earn up to 10 minimum wages from paying the provisional tax on financial operations, IPMF, was a government mistake. According to Cardoso, people who earn up to this limit are exempted from paying the IPMF. The decree's original text granted a reduction of 0.35 percent on contributions to [word indistinct] to compensate those who earn up to 10 minimum wages for the payment of the new tax.

Positive Results of Economic Program Viewed

PY2307180593 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 23 Jul 93

[Report by Corban Costa]

[Text] Edmar Bacha, special adviser to the Finance Ministry, has appraised the results of the government's economic program. He said that in the two months since its implementation, the Federal Revenue Office had a monthly growth of \$500 million resulting from the anti-evasion campaign and has reduced its expenses by \$6 million although the inflation rate remains above 30 percent per month. He added that the government is now fighting the causes for inflation.

[Begin Bacha recording] This is not a miracle-workers' program. It is not a program that will cause inflation to drop overnight and become stronger than ever the following day. We are fighting the fundamental causes of inflation. I believe people on the street and housewives understand very well that before doing anything else, we must put our house in order. This is what the measures I have reported on today are for. We are putting our house in order. We have fixed some rooms, but have not reach the living room yet. [end recording]

Bacha added that it is expected that, as a result of the Provisional Tax on Financial Operations implementation, the Federal Revenue Office collection will increase further during the last six months of the year. He said the tax will yield about \$3 billion before the end of the year.

Suspended Parana Governor Roberto Requião Resumes Post

PY2407014593 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 23 Jul 93

[Text] Parana Governor Roberto Requião has resumed his post. The Superior Electoral Court [TSE] has approved an injunction canceling his suspension as ordered by the Parana TRE [Regional Electoral Court].

Governor Requião was in Sao Paulo when he learned of the decision made by the TSE, and immediately returned to Curitiba. He was received at the airport by friends and political leaders. He was then taken to his car, and headed directly for the Iguazu governor's palace in downtown Curitiba. At the side of Vice Governor Mario Pereira, Requião resumed his post a week after having been suspended by the Parana TRE.

[Begin Requião recording] I want to reaffirm my confidence in the judicial system. Judges make mistakes, governors make mistakes, but the day we lose our confidence in the judicial system, the basis for the democratic state will be definitively shaken. [end recording]

Governor Requião will stay in his post awaiting a decision by the TSE, which must be issued within a term ranging from 60 to 120 days.

Cali Cartel Member in Brazil Escapes From Sao Paulo Jail

PY2407154293 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Jul 93

[Excerpts] Sao Paulo police are investigating two possible clues to drug trafficker Abidiel Pinto Rabelo's escape. Rabelo was serving a 28-year prison sentence, and his escape may have been either supported by a group of the Sao Paulo Casa de Detencao prison guards or made possible by dentist Roberto Guerreiro, who had been treating the trafficker's teeth for the last three months. Like Rabelo, Guerreiro also was born in Porto Velho, Rondonia State.

Abidiel Rabelo is former Deputy Jabes Rabelo's brother. The deputy lost his mandate on charges of involvement in drug trafficking. The escapee is named as one of the most important Cali cartel men in Brazil.

Abidiel Rabelo's escape from jail resembled a movie operation involving 10 men carrying machine guns, 12-gauge shotguns, Beretta pistols, grenades, and four cars. He was rescued from a police car that was taking him to dentist Roberto Guerreiro's office in downtown Sao Paulo. [passage omitted]

In view of Rabelo's escape, the justice minister has asked for police protection for Deputies Vital do Rego and Raquel Candido. Candido denounced Rabelo's involvement in drug trafficking and Rego was involved in the lawsuit that resulted in the suspension of Jabes Rabelo's congressional mandate.

Chile

Minister Tells Officials To Discontinue Talks With Bolivia

PY2307185993 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 23 Jul 93

[Text] Foreign Minister Enrique Silva Cimma has described as unexplainable the remarks by Bolivian President Jaime Paz Zamora. The Bolivian president had said that, with regard to Bolivia's landlocked situation, Chilean bureaucracy and bourgeoisie were indolent.

[Begin Silva Cimma recording] First, the remarks that the Bolivian president has reportedly made are at odds with the attitude adopted by the Bolivian and Chilean Governments since the administrations of Mr. Aylwin and Mr. Paz Zamora were inaugurated virtually at the same time.

In light of these remarks, I have instructed our under secretary and Ambassador Fuentes, our consul general in La Paz, who were harmoniously working along those lines, to return to Santiago and discontinue a similar task in Arica. [end recording]

Interior Minister Reacts To Bolivian President's Statements

PA2507221093 Hamburg DPA in Spanish 2110 GMT 25 Jul 93

[Text] Santiago, Chile, 25 Jul (DPA)—Regrettable, immoderate, aggressive are some of the adjectives heard in Chile in reaction to the 22 July statements by Bolivian President Jaime Paz Zamora who accused Chile of being an indolent adversary, backward, and retrograde.

These are very regrettable statements because a great effort has been made by the president, the Foreign Ministry, and the whole country in general, to seek formulas of understanding with a country with which we should naturally have the best possible relations, Interior Minister Enrique Krauss said. The cabinet chief added that regrettably the style and treatment maintained in our relations with Bolivia has suffered a setback, which hopefully will be corrected.

Paz Zamora issued these statements during a meeting with military officers when referring to Chile's lack of solution over the centuries' old claim by Bolivia for access to the sea, which caused Bolivia in 1978 to suspend diplomatic relations with Chile following a failure in the negotiations.

His reaction is very strange and I believe it is due to some sort of domestic pressure. Sometimes when presidents are in difficulties they resort to the nationalist feelings of their fellow citizens by attacking countries with which they have had problems, Chilean Deputy Evelyn Matthei said.

History tells us that each time our neighbors have problems they begin to experience anti-Chile sentiments, agreed Senen Conejeros, president of the College of Journalists.

For Manuel Bustos, president of the Workers Central Union [Central Unitaria de Trabajadores], interviewed by LA TERCERA newspaper, Paz Zamora's attitude creates an atmosphere of mistrust between the two countries, not only at the diplomatic level. His aggressive words place military sectors on alert, he said.

The newspaper LA NACION pointed out in its editorial that during his farewell, the Bolivian president burned all bridges with his harsh language and adds that not during President Paz Zamora's administration will the Chile-Bolivia dialogue be crowned by normalization of diplomatic relations. The editorial adds that whatever intentions his successor, who is scheduled to take over on 6 August, may have, it seems equally unlikely that significant advances may be accomplished during what is left of Chilean President Patricio Aylwin's term (concluding next 11 March).

After pointing out the experiences shared as well as common interests, the newspaper highlights the need for efforts that will prevent the issue from fatally stagnating. President Paz Zamora's statements should not be looked

upon only as the product of policy frustration and as self-justification by someone who is about to step down as president.

It also says that they should cooperate with us by understanding that perception by others may not necessarily coincide with our reasoning, and adds that no one can doubt Chile's good faith and the intensity of its efforts in this problem. However, there is the possibility that there may have been some lack of precision in the message that was transmitted.

LA NACION concludes by indicating that most likely relations with Bolivia may have been undermined by the government's need since 1990 to improve its ties with the large industrialized nations.

Colombia

Army Discovers FARC Reward Offers for President, Officials

PA2407194193 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1800 GMT 24 Jul 93

[Text] The guerrillas have their sights on the president, the attorney general, prosecutor general, and the military high command. A wide-ranging terrorist plan was recently discovered during a search of a Revolutionary Armed Forces of Colombia [FARC] printing shop.

Very unusual pieces of printed stationery, on which the guerrillas offer a reward for President Gaviria, the attorney general, the finance minister, the defense minister, and the Army commander is the clearest evidence yet that the FARC and the Popular Liberation Army [EPL] are preparing terrorist attacks.

The Army discovered the stationery during a search of a FARC and EPL printing shop in Santa Fe de Bogota.

[Begin recording] [Brigadier General Crispin Quinones, 8th Brigade commander] We believe this is similar to the reward offers made by the government for subversive groups leaders. They too decided to offer rewards for the murder of any government leaders. [end recording]

The Army also found an issue of the latest magazine to be distributed among the various guerrilla fronts in which the features of Simon Bolivar had been changed to those of FARC Commander Manuel Marulanda, alias Tirofijo. The magazine carries the published conclusions of the FARC-EPL conference that took place in March in the Uribe and Meta region.

The search also uncovered recent photographs of Marulanda and a layout of a FARC camp. The latest Bernardo Franco Front communique, which explains how its members murdered a front commander, was found in a computer.

Authorities also confiscated a modern rotary press that prints approximately 600 pages per hour as well as numerous magazines, books, pamphlets, and subversive propaganda.

* Captured Documents Describe ELN Strategy

93WR0281Z Santa Fe de Bogota EL TIEMPO in
Spanish 25 Jun 93 p 3A

[Text] The Armed Forces, the security services, the Prosecutor General's Office and the government are preparing to withstand another phase of the terrorist strategy of the Army of National Liberation (ELN) over the next three years.

The ELN intends to transform itself into a kind of armed inspector of local administrations and to exercise direct control over government programs in municipalities and departments.

This, as well as pressure on mayors and representatives and the infiltration of administrative staffs, is among the tasks assigned to the various fronts in carrying out a political strategy titled "The Flight of the Eagle."

In the military sphere, the ELN seeks, in particular, to combat the activity of the Mobile Brigades and to expand sporadic terrorist attacks against regular troops by bombings and increasing the use of "minas quiebrapatas" [mines designed to blow off a victim's foot] and "minas sombrero chino" [Chinese hat mines]. The purpose is the bloody acquisition of new weapons.

These conclusions are contained in an intelligence report in the possession of the Army Command, based on documents captured from insurgents of the Luis Jose Solano Sepulveda front of the ELN, which operates in the northeastern portion of the country: Cesar, southern Bolivar, Magdalena Medio, and Norte de Santander.

The documents were captured recently in a camp in Santa Rosa (Bolivar) and contain the ELN's strategy through 1996.

This guerrilla group operates today with 25 fronts deployed in Cesar, La Guajira, Sucre, Bolivar, Cordoba, Choco, Arauca, Huila, and Antioquia, among others.

The captured documents reveal that the brigades of professional soldiers are a priority target of the insurgents.

"What is new in the enemy's strategy—state the ELN documents speaking of the Armed Forces' activities—is the use of special troops in counter guerrilla battalions and mobile brigades of the government army.

"The special troops are employed in small units no larger than 40 men with a survival capability in the jungle or the mountains of several days, using cross-country movements to employ the element of surprise against the guerrilla groups.

"The enemy's advance must be halted by going out to meet him, and to obtain effective results we have decided on a policy of increased use of mines: quiebrapatas, fountain bombs, etc.

"The military are very vulnerable to the quiebrapatas and mines, for which they have great respect and which deprive them of their natural speed of movement and effectiveness in attack."

The military strategy of the ELN is contained in the "Booklet on the Vietnamese Experience, Notebook of Integrated Training No. 4," which was also captured by the Army.

The booklet explains the tactics of the prolonged peoples war (GPP) including the use of sombreros chinos, "minas abanico" [fan mines], ambushes using shotguns, and employment of revolutionary self-defense forces or militias.

Within the framework of this strategy, according to studies by the Armed Forces, the Luis Jose Solano Sepulveda front alone will have to produce, over a very short period, 600 quiebrapatas and 300 fan bombs, and obtain one-hundred 60 mm mortar shells and 100 rifle grenades.

In addition, the front has the task of manufacturing ten 60 mm mortars and 100 shelters.

Meanwhile, through attacks on regular troops, insurgents must obtain 100 rifles, 5,000 electrical primers, 2,000 combustion primers, 10,000 meters of duplex cable, 1,000 kilos of 90 percent dynamite, 10 arrobas [one arroba equals 25 pounds] of TNT, twenty thousand 7.62 mm cartridges, twenty thousand 5.11 AK's, ten thousand 2.23 AR-15's, five thousand 30 mm shells, ten thousand 9 mm shells, twenty 7.62 mm Galil, FAL, and G-3 rifles, and two M-60 machineguns.

In the political field, meanwhile, the ELN seeks to develop operation "Flight of the Eagle" that, in the guerrillas' thinking, could bring them to popular power by means of "parallel governments" to the ones established legally in municipalities and departments.

In this plan, control in the municipalities is the backbone of the insurgent strategy.

ELN documents in the Armed Forces' possession list as an objective "The preparation of a government program, development plans, time frames for the programs and plans, and commitments by the municipal administrators: mayors, council members, treasurers, representatives, and decentralized agencies in the government's programs and development plans."

According to the experts, the ELN is attempting to control the personnel who staff the mayoralties and governorships at the administrative, educational, and health care levels, and the services provided by public employees.

The objective—says the report—includes the inspection of government plans prepared by officials, budgetary outlays, use of machinery, and oversight of contracts and public bidding.

This is how one of the 10 projects, which will be carried out through 1996, was synthesized in the top-level meeting of the ELN in Campo Maiz, in a rural area of Santa Rosa municipality (Bolívar).

Other projects fall within the political strategy: one to confront the drug traffickers and another that seeks to encourage socioeconomic plans which, according to the guerrillas, "will enable us to win credibility as a revolutionary alternative. Feasibility studies must be done of development plans in all fields."

With regard to drug trafficking, official sources observe, the objective of the insurgents is to drive out their old allies through a kind of consciousness raising of society, by educating against the production and use of drugs.

However, according to the Army, the purpose of the insurgents is far from altruistic. Their objective is to win their confrontation with the drug traffickers operating on the coast, basically in Cartagena.

[Box, p 3A]

Importation of Mines From the Viet Cong

Not even the innocent victims of terrorist activity have persuaded the guerrillas to abandon their atrocious strategy. Now they plan to expand it by employing methods used by the Viet Cong. These are the most common devices:

Minas quiebrapatas: the ELN has used them especially in the Santanderes and in southern Bolívar, and the aim of the insurgents, according to captured documents, "is to demoralize combatants who lose their legs."

The quiebrapatas is designed for use against a single person. It is a small device with a very light explosive charge that is activated by the pressure of a foot.

They are placed in fields and explode when the pressure on them is lifted. They explode upwards.

Minas sombrero chino: these are shaped like a hat and, upon exploding, hurl a cone-shaped blast of nails, bolts, and screws forward.

They are used principally for attacks on patrols, vehicles, and platoon-sized groups. They are loaded with a large amount of dynamite. The explosive force of the cone-shaped burst and the metallic elements it contains are sufficient to disable up to two vehicles.

Minas abanico: these are mines that use the same system as the sombrero chino, but are larger in size and diameter, and their destructive power and range are greater.

[Box, p 3A]

The ELN's Unusual Rules

Joining the ELN can be easy. One only needs to have support from the peasant grass roots of the guerrillas, be between 18 and 40 years of age, fill out a questionnaire, and bring along one's own field equipment.

However, it is another thing to leave the ranks of the armed insurgency, a procedure that involves the front commanders and leads to a life or death decision.

According to documents captured from the ELN, retirements (voluntary or compulsory) are granted only after the guerrilla has completed his obligatory service of two years.

According to the regulation, "retirement of combatants is permitted and granted when the combatants are volunteers, but the following requirements must be met: the term of service of two years must be completed, there must be problems of a family nature or ideological-political reasons."

Compulsory retirement refers to decisions by the front because of acts of bad conduct, dishonesty, "a serious degree of decadence," or severe health problems.

According to regulations, private property does not exist within the fronts, family visits are permitted only after one year, and letters and documents that enter or leave the camp must be inspected in advance by the commanders.

A guerrilla must have at least two years of service in a front and be serving for an indefinite period in order to attend national or regional competitions or training schools.

The positions of radio operator, machine shop worker, or medical assistant require at least two years of experience as a guerrilla. To become a commander requires four years of effective service with his respective front.

When a commander retires from the guerrilla forces, notification is made to the National Directorate which must know the reasons in order to authorize the retirement. When a radio operator retires, his effective retirement takes place six months after leaving his position, during which time the codes and communications frequencies are changed.

* Ecopetrol Investment Plans for Cusiana Discussed

* Sources of Financing

93P20210A Santa Fe de Bogota EL ESPECTADOR in Spanish 26 Jun 93 p 5B

[Text] Ecopetrol [Colombian Petroleum Enterprise] might invest up to \$3 billion over the next four years to develop the oil deposits recently discovered in

Colombia. The money would be obtained in a variety of ways, according to Finance Minister Rudolf Hommes.

Some \$1.5 billion of the funds necessary for this project could come from private companies. For example, the oil pipeline for transporting crude from the wells could be built by a private company, said Hommes.

Another \$500-600 million could come from Colombian capital markets, and some \$1 billion might be obtained from international capital markets, said the minister in New York.

Hommes, speaking at the private firm Americans Society, said that the funds are to be directed to the extensive deposits at Cusiana and Cupiagua that the state-run Ecopetrol is responsible for developing. In addition, he said that Colombia's petroleum exports could quadruple and reach 800,000 barrels per day due to the discovery of the deposits. The funds thus generated would help to increase the growth rate of the Colombian economy to as high as 7 percent annually over the next decade, he said.

* 'Promising Future'

93P20210B Santa Fe de Bogota EL ESPECTADOR in Spanish 28 Jun 93 p 6B

[Text] Ecopetrol will earmark \$5.5 billion to finance investments for the Cusiana petroleum project, based on an official document according to which the budget for the next five years will be financed by internally generated funds, credits from export enterprise, leasing, and by incurring debts on the capital market.

Such funds will give Ecopetrol the most promising economic future of any state company in the country.

At present, its financial solvency allows it to hold 22d place among the 100 largest companies in Latin America and consolidates its position as the largest company in the country.

Ecopetrol plays a strategic role in the Colombian economy as a primary instrument of government policy in the petroleum and gas sector.

Likewise, it is the primary contributor to the nation's income through a combination of taxes, royalties, and dividends: In 1992 Ecopetrol's total contribution was some \$500 million, compared with a total of \$20 billion collected from the public sector.

Now its primary responsibility is to take the lead in the upcoming bonanza for the petroleum industry resulting from the immense hydrocarbon reserves in the deposits which have been discovered.

Two of these specifically, Cusiana and Cupiagua, will be officially declared "commercial" tomorrow, which will clear the way for the process that will allow Colombia to begin the biggest production and export undertaking in its history.

And that challenge is accompanied by exorbitant figures. A document recently prepared by Bankers Trust International, the financial entity responsible for placing petroleum Eurobonds on world capital markets, describes the investments which Ecopetrol will make in order to confront this task.

For Juan Maria Rendon, the company president, the positives results come from the almost private management of its financial and administrative matters.

In effect, a quick glance at last year's balance sheet shows that Ecopetrol's cash flow—understood as the net income plus noncash items—increased from \$341 million in 1988 to \$709 million thanks to the increase in exports.

The company plans to direct that investment flow toward developing wells at Cusiana and Cupiagua, promoting natural gas consumption (improving distribution capacity), and improving the refineries so that the finished product will be in line with market demand.

Ecopetrol compares favorably with several state-run and public petroleum firms not only in terms of cash flow per dollar of investment, but also in terms of capital recovery.

The company generates 29.1 percent of its income in the form of cash flow (\$709 million in 1992), which will allow it to finance a large part of its future capital outlays. In addition, it has a high stock return due in part to the fact that it can minimize the costs of dry wells via partnership contracts [contratos con asociacion].

Despite this, the primary problem is violence which targets infrastructure. The costs resulting from attacks on pipelines totaled \$28 million in 1992 while the figure was \$1.25 million during the first quarter of this year [figures as published].

Peru

Peruvian Government Recognizes Venezuelan Ambassador

PY2407133893 Lima LA REPUBLICA in Spanish 8 Jul 93 p 2

[Text] The Peruvian Government has recognized the new Venezuelan ambassador to Peru.

As we all know, Carlos Andres Perez's government severed diplomatic relations with Alberto Fujimori's government, arguing that the Peruvian Government was dictatorial.

The new Venezuelan Government decided to resume diplomatic relations with Peru following Perez' downfall as a result of a constitutional pretrial.

Horacio Arteaga is a career diplomat with a degree in international studies from Central University of Venezuela. Arteaga was the Venezuelan representative to the

UN office and other international organizations in Geneva until a few days ago.

The new ambassador was put in charge of the Venezuelan Foreign Ministry on several occasions. He also occupied the positions of Foreign Ministry director general and cabinet director.

Arteaga has fulfilled professional missions at the United Nations and was Venezuela's alternate representative to ALADI [Latin American Integration Association]

Agreement on Facilities in Arica Signed With Chile

PY2407162393 Lima EXPRESO in Spanish 7 Jul 93 p A2

[Text] Prime Minister and Foreign Minister Oscar de la Puente Raygada yesterday signed the special drawing that set the limits of the facilities and zones that Chile built for Peruvian use in accordance with the Lima Agreement.

The drawing includes the north dock (with a building for a Peruvian customs office and warehouse), the buildings and grounds of the new Tacna-Arica railway station and railways, and other railway facilities built on the esplanade.

It was reported that Chilean Foreign Minister Enrique Silva Cimma also signed the special drawing during a ceremony in Chile on 2 July.

The plan's drafting and approval is the last formality for this agreement, as well as for the agreement on the free traffic of goods—both were signed on 11 May by the Peruvian and Chilean foreign ministers—to be submitted for ratification by the CCD [Democratic Constituent Congress].

CCD Rejects Proposal on Presidential Promulgation of Laws

PA2407041993 Lima Panamericana Television Network in Spanish 1200 GMT 23 Jul 93

[Excerpts] The plenum of the Constituent Democratic Congress [CCD] on 22 July rejected the law proposal that would have enabled the president of the Republic to partially promulgate laws. [passage omitted]

The 16 articles regarding the Legislative Branch were approved during the session. The most important innovation among these articles is the creation of a single chamber with 120 Congressmen—not 100 as originally proposed—who must be at least 25 years old and must be Peruvian by birth.

A transitory disposition establishes that the first general elections held after this new Constitution goes into effect, will be held through the single district system, until the decentralization process is completed. During the afternoon session, the CCD approved the chapters regarding the duties of the Legislative Branch and the drafting and approval of laws.

The point that prompted the greatest debate was the proposal regarding the possibility of the president of the Republic partially promulgating laws. In the end, this proposal was not approved by the CCD and, therefore, the article in this regard remains as stipulated in the current Constitution. [passage omitted]

APRA Expels 20 Followers for 'Treason'

PY2407153993 Lima EXPRESO in Spanish 8 Jul 93 p A7

[Text] Chimbote—Twenty APRA [American Popular Revolutionary Alliance] followers have been expelled from the party following charges of "betraying" Santa Department's committee. The former APRA followers participated in January's municipal elections representing other political parties. Some former APRA legislators also are being investigated because they show signs of unearned wealth.

Jorge Bazan Blas, Chimbote's APRA party discipline secretary, and Secretary General Victor Wong Susuki reported that those expelled participated in the municipal election as members of other parties, which is considered "treason" to the party.

It was reported that the present task of the departmental committee is to clean and moralize the party after making an in-depth evaluation of followers' activities inside and outside the party.

The list of those expelled include Huber Arevalo, Maximo Risco, Maria Ortega Onofre, Nancy Obando, Juana Villanueva, Juana Medina de Mostaceros, Andres Valdivia Garcia, Lucio Ponte, Santiago Barroso, Augusto Quesada, and Jesus Medina.

The list also includes Gregorio Gonzales Arroyo, Herogenes Morales Medina, Roberto Aliaga Quijano, Maria Cabello Gonzalez, and Rosa Quesada.

In Santa District the Executive Branch expelled Maria Namuchi, Luis Vega Vasquez, Nicolas Lazaro Sanchez, and Fabiola Balarezo Balta.

It also was reported that the local party Executive Branch is investigating all members and former legislators who show external signs of unearned wealth.

Among the former legislators being investigated are Juan Valdivia Romero, Alejandro Ponce Rodriguez, Freddy Ghilardi Alvarez, and Wilman Lescano Yuari. According to a report, they still have not presented their sworn depositions on assets they own or a report on their work in the department.

"The purpose of the report is to compare what they presently own with what they owned before they became legislators," the sources added.

Commentator Discusses Current Constitutional Debate

PY240716069 Lima EL COMERCIO in Spanish 9 Jul 93 p A4

[From the "Without Confirmation" column by Alfonso Baella Tuesta]

[Text] The interest being shown in the debate on the Constitution is reflected in the number of drafts that have been submitted to the Democratic Constituent Congress' Constitution Committee to help in enhancing and perfecting the new constitution.

Thus even though the debate has begun, more drafts recently have been added to the 46 documents submitted by institutions, organizations, professional circles, and also by congressmen.

Some of the main drafts have been submitted by the Popular Christian Party and the Leftist Democratic Movement. The constitutional draft submitted by the Renewal [not further identified] also can be mentioned.

There are other political groups such as the National Workers and Campesinos Front that presumably will submit their own drafts.

And the probability has not been discarded that all the opposition groups will join forces in order to submit a consolidated draft as an alternative to the draft submitted by New Majority-Change 90, which currently is being debated.

But would it not have been better to have used all the effort that has been made in the study and drafting of these documents prior to the beginning of the debate, or even within the Constitution Committee itself?

* Fujimori's Popularity, Election Strategy Gauged

93SM0332A Lima SI in Spanish 7-13 Jun 93 pp 10-14, 54

[Unattributed article: "Cards Up His Sleeve"]

[Text] Finally, a few hours after arriving in Japan, Alberto Fujimori said it: The subject of reelection must be included in the new Magna Carta.

It is a fundamental issue for the head of state, who having just completed three years in office is now intent upon winning the next general election.

Until now, Fujimori had somewhat distanced himself from this issue, repeatedly saying that it was a matter for "the people to decide." But what is significant is that polls on the question of reelection do not give complete assurances to the interested party. According to a public opinion poll taken in April by IMASEN, 67.4 percent supported Fujimori; but only 51 percent said they would vote for him if he were a candidate for reelection.

In a more recent survey taken by IMASEN during the last week of May, the head of state's popularity was at 63

percent—clearly, still quite high. But according to the results obtained by the Cifras y Analisis polling firm, 56.2 percent responded affirmatively to the question as to whether they agreed with including the reelection topic in the new Magna Carta and 38.5 percent oppose it. (Data from IMASEN in this respect are not available.)

It would mean that AFF [President Fujimori] obtains his highest rating in terms of percentage when the question relates to his personal popularity, but that this rating drops several points when the issue of reelection is addressed. And it drops even lower in response to the question as to whether the interviewee would vote for him again if he were to run again for the presidency.

As a result, the referendum on this issue, should there be one, will be vigorously contested. Fujimori's plans must envision the clearing away of this stumbling block before it can confront the problem of winning the general election.

It is therefore not by chance that the head of state chose the Far East to publicly state his position on the reelection issue. It indicates that Fujimori wants to give the governments of that region, specifically Japan and South Korea, maximum assurances with respect to his continuing in office: "Rest assured that what we have agreed upon will endure, because I will remain in power."

But the reelection strategy remains in question. Initially, as explicitly stated in the convocation to the CCD [Democratic Constituent Congress], it was tied to approval of the complete text of the Constitution. It should be recalled that the convoking decree stipulated two referendums: The first would approve or reject the draft presented by the Constituent Congress; and the second would be held if the first resulted in disapproval. In this case, the original text would be revised, and this revised text would be submitted to popular vote as the issue of the second referendum.

It is now virtually certain that the ruling party is preparing to ignore this initial commitment. The president and his closest advisers do not want to risk a defeat that could question their legitimacy as a government.

The first one to confirm that the procedure for approval would be modified was Carlos Torres y Torres Lara, chairman of the Committee on the Constitution (see SI, number 318). In the beginning, this development passed unnoticed, as though it were merely a secondary matter, but now it has taken on its true magnitude. The government wants, first of all, to promulgate the Constitution on 28 July, and then submit only certain parts to a referendum. Practically speaking, this is today an accepted fact throughout the ruling party.

At the last caucus of the parliamentary members of Change 90 and New Majority at the Hotel Country Club on 2 and 3 June, the question of the referendum was discussed. And no one had any doubts that it would be held only in respect to selected issues. In sum, the draft of the Constitution is not truly up for debate, because the

decision has already been made not to submit it to a popular vote. The ruling party will address only those criticisms that it deems advantageous to address—for example, perhaps the issue of regionalization—and will act on them in plenary session. And that will be the end of that.

Thus it was that, during the meeting at the San Isidro Hotel, everyone agreed that the issues of the presidential reelection and the death penalty would be submitted to referendum. But some, such as Luz Salgado, insisted that the regionalization and unicameral system issues should also be submitted. This second proposal represented a unique position for Ms. Salgado.

Evangelist Pedro Vilchez—also a member of Change 90—said that "there will be no vote on the text of the Constitution, because if the people elected us to draw up the Constitution, only that which the people request will be put to a referendum." This reference to "that which the people request" is linked to the referendum bill that the government is preparing, and that would be passed at the same time as the promulgation of the Constitution. From that moment on, the new Magna Carta would be in force.

The referendum law, then, would make it possible for the citizens themselves—after first collecting, say, 100,000 signatures—to define the issues that should be put to a referendum. And the government could then say: "This is the most democratic way. The citizens are the ones who decide what should be submitted to popular vote, rather than the central government's dictating it." A new way of breaking the prior agreement.

Fujimori's supporters also calculate that the organization of a referendum will take no less than 3 or 4 months, since it is a national electoral process that would have to take place under the auspices of a National Board, reformed according to the new Constitution.

Naturally, the final card—a desperation move but under no circumstances one to be discarded, if the ruling party's customary behavior and the plummeting trend indicated by the public opinion polls are taken into consideration—is that in which the Constitution is promulgated and some issues, such as the death penalty, but not the question of reelection, are put to referendum. Fujimori's public pledge in Japan, moreover, lends weight to this view.

From other sources, SI has received reliable information that Fujimori is seriously considering the possibility of scheduling early general elections, convoking them immediately after the promulgation of the new Constitution. In this way he would seek to avoid time's weakening effects and to gain new legitimacy not through referendum but rather through a new presidential election.

Under this plan, the election would be held in 1994. After all, was there not a sector of the opposition that had asked for early general elections when the 5 April coup took place?

The CCD has only 36 working days, to 28 July, in which to implement Fujimori's strategy. The Congress would have to go into permanent plenary session starting Monday 7 June. The average rate of approval of articles, considering that the new draft has over 300, would have to be of over 10 a day.

Nevertheless, the ruling party does not yet have a definite timetable. Roger Caceres, however, presented one that would end with a referendum on the whole draft of the Constitution on 31 October. In other words, what the majority party is preparing is a collision course. That is why, during the meeting at the Hotel Country Club, aside from the mea culpa's, it was agreed that no parliamentary member of the ruling party's alliance would miss any of the committee or plenary sessions.

The opposition within the CCD has reached agreement on carrying on a national campaign, through numerous delegations, to explain the dangers of the new draft of the Constitution. The campaign trip schedule will begin to be developed starting this week. And this will be the start, albeit a weak one, of the campaign for a "no" vote.

The parties that are outside of the CCD are maintaining a critical stance. With the rise of Armando Villanueva to the office of general secretary of the APRA [American Popular Revolutionary Alliance], its stance has hardened. But on the whole, the position of the parties in respect to the constitutional debate remains that of abstention. This provides a wide margin for maneuvering by Fujimori's government, which feels it has the luxury to change strategy and break promises, including international ones, without so much as paying a high political price.

Not all is well within the ruling party. Under the pretext of disseminating the draft of the Magna Carta among the population in the interior of the country, Torres y Torres Lara is campaigning for the presidency of the CCD. Opposing his aspirations, members of New Majority—headed by Yoshiyama—support the candidacy of Martha Chavez as the alternative. Thus, she would be the first woman to assume the leadership of the legislative branch. Nevertheless, all of this upsets the members of Change 90. They will demand that the agreement reached in the last election, calling for the leadership to be assumed first by a member of New Majority and then by a member of Change 90, be carried out. In this as in all the other cases, Fujimori will have the last word.

*** Renewal Congressman Rejects Majority Decentralization Position**

93SM0337A Lima SI in Spanish 7 Jun 93 pp 30-31

[Interview with Congressman Juan Carpio Munoz, Renewal Movement member, by SI correspondent; place and date not given: "Another Opposition Has Been Born"]

[Text] [SI] Dr. Carpio Munoz, in remarks on the floor of the Constituent Congress, and in the media, you have expressed differences with New Majority—Change 90 on

decentralization. Does this signal a break in Renewal's tacit alliance with the congress's majority?

[Carpio Munoz] It is my belief that the New Majority—Change 90 alliance has made short shrift of the decentralization issue, that it does not have a serious and integral proposal on the issue, and that it is exhibiting grave internal contradictions. Leaders of the majority, such as Carlos Ferrero, are expressing absolutely centralist viewpoints. Ferrero has proposed the creation of departmental coordination councils made up of intendants to be appointed by the president and the provincial governors of each department. He has even gone so far as to say, as published in the 30 May edition of EXPRESO, that the intendant must not be "a mere presidential watchdog," but must assume an executive responsibility and become an official "capable of steering and imparting impetus to public works projects and public-sector investments, in coordination with the building construction authorities. I disagree with those excessive attributions.

As to whether my position entails an implicit break with the alliance, I should point out that my proposals have the support of Renewal. These proposals posit the absolute minimum requirements for a start toward decentralization.

[SI] What is the substance of your proposals?

[Carpio Munoz] In the proceedings of the Constituent Congress's Decentralization Committee, I proposed an integrated and hierarchical system of decentralized government with four levels: national government; departmental governments; provincial councils, and district councils. The departmental governments would be headed by elected governors. The latter was not accepted by the majority. Thus, an intermediate level of jurisdiction between the central government and the municipalities was eliminated. As an alternative, I requested that the possibility of creating intermediate jurisdictions, in the form of departmental or regional governments, via referendum, be left open.

[SI] Would such a referendum decide, on a yes or no basis, solely on the question of these intermediate jurisdictions?

[Carpio Munoz] Above all, I want to state my opposition to the system of regionalization established by the 1979 Constitution. The people were not consulted before creating this system. I believe that departments such as Moquegua, Apurimac, Ica, Cajamarca, Tumbes, and Cusco must create their own intermediate jurisdictions. Change 90 and the New Majority, however, want only two levels of government: the central and the municipal. In this respect, I think that the proposed referendum should ask the following questions: 1. Do you agree with the current system and regional demarcations? 2. Do you prefer departmental governments elected by the people?

[SI] Does it not seem that a policy position on this question is being imposed by a majority that lacks clear ideas on the subject?

[Carpio Munoz] Indeed, I believe the majority has not realized that the question of decentralization is not a marginal issue but rather a cornerstone of the new governmental structure. This question, so vital to the nation, has been brushed over. I think that during his trips to the interior of the country, Dr. Carlos Torres y Torres Lara, president of the Constituent Congress, has been able to ascertain that the people are stirred up about how this question has been handled by the Congress. I hope that during discussions within the Committee for the Constitution, as well as in the Congress, the majority will reexamine its proposals.

[SI] Which points of your proposal have been rejected by the majority on the Committee for Decentralization?

[Carpio Munoz] There are several. One is the creation of a multiple electoral district, which I consider necessary so that the peoples of Peru can be represented proportionally. Another is the transferral of economic and administrative resources. I also proposed, unsuccessfully, that the Superior Court of each district have final

judicial authority, leaving issues of major importance, such as those relating to the constitutionality of laws, to the Supreme Court. In addition, I requested that the departmental boards of election be the final authority on electoral matters. I advocated that the budget contain two sections: one for the central government and one for the decentralized jurisdictions.

[SI] Do you support the elimination of the regional governments as proposed by the majority in the preliminary draft of the Constitution?

[Carpio Munoz] I have already said that the system established by the 1979 Constitution is a vertical one. It creates regions from the top down. I believe that we must begin decentralizing and that the regions must be responsive to the needs and demands of their people. I must also point out dissents among the members of the majority. In remarks made to the Arequipa newspaper EL PUEBLO on 31 May, Gilberto Siura, leader of the congressional majority, said that he "disagreed with the deactivation of the regions."